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RETRAINING AND MIGRATION AS FACTORS IN REGIONAL ECONOMIC DEVELOPMENT.

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THIS REPORT, PREPARED FOR THE OFFICE OF REGIONAL ECONOMIC DEVELOPMENT, FEATURES A REVIEW OF RECENT RESEARCH ON RETRAINING AND MIGRATION AS INDEPENDENT AND INTERACTING FACTORS IN REGIONAL ECONOMIES. FINDINGS ARE ALSO RELATED TO CURRENT UNITED STATES MANPOWER POLICY AND TO RETRAINING AND RELOCATION SCHEMES IN WESTERN EUROPE. IN THE UNITED STATES, UNEMPLOYED WORKERS WILLING TO RELOCATE TEND TO BE RELATIVELY YOUNG (LARGELY MALES AGED 20-35), WITH FEW COMMUNITY TIES AND LITTLE OR NO PROPERTY, AND EITHER WELL INFORMED ON THE LABOR MARKET ELSEWHERE OR WILLING TO TAKE RISKS. RETRAINING AND RELOCATION HAVE GENERALLY PROVED HELPFUL TO SUCH WORKERS, BUT EFFECTS ON NATIONAL AND REGIONAL UNEMPLOYMENT ARE STILL INCONCLUSIVE. NEVERTHELESS, INVESTMENTS IN PHYSICAL CAPITAL APPEAR USELESS WITHOUT INVESTMENTS IN THE EDUCATION, TRAINING, AND MOBILITY OF THE LABOR FORCE. ACCORDINGLY, EXISTING PROGRAMS AND SERVICES MUST BE CLOSELY COORDINATED AT LOCAL, STATE, REGIONAL, AND FEDERAL LEVELS, AND MORE RESEARCH MUST BE CONDUCTED ON SOCIOECONOMIC BENEFITS AND COSTS, EMPLOYMENT TRENDS, AND WAYS OF MEETING THE ACUTE NEEDS OF OLDER WORKERS AND THE FUNCTIONALLY ILLITERATE. (THE DOCUMENT INCLUDES SPECIFIC CASE HISTORIES AND ACTIVITIES, AN EXTENSIVE CLASSIFIED BIBLIOGRAPHY, AND ABSTRACTS OF 50 OF THE ITEMS CITED.) (LY)

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RETRAINING AND MIGRATION AS FACTORS IN REGIONAL ECONOMIC DEVELOPMENT

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RETRAINING AND MIGRATION AS FACTORS IN REGIONAL ECONOMIC DEVELOPMENT

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PREFACE

This report provides a review of research on retraining and migration as independent and interacting factors in regional economic development, an extensive bibliography, and abstracts of relevant publications. The research findings have been related to current legislative policies in these fields both in the U.S. and in Western Europe in order to draw lessons for the improvement and co-ordination of policies and research designed to further regional economic growth.

In order to most efficiently use the alphabetized abstract section, the reader should refer first to the bibliography which is arranged according to sections of the report. The starred items in the bibliography have been abstracted.

Dr. Murray Tucker, Research Associate, supervised the bibliographic collection and preparation of abstracts, and he assumed major responsibility for the analytical section on Education and Retraining. Dr. Graeme McKechnie made a major contribution to the section on Migration and Relocation. I am also indebted to graduate research assistants: Priscilla Ten Pas, John Bowman and Michael Rich for their work on the bibliography and abstracts; to Pauline Fosdick and Carol Van Boxtel for administrative and secretarial assistance; and to the personnel in the Office of Regional Economic Development for their unfailing cooperation.

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September 15, 1966

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I. INTRODUCTION

A. Human Resources and Economic Development

The role of human resource development in regional economic growth is related to two areas of recent controversy, both of which appear to be approaching resolution.

First, in the area of employment policy there is growing recognition that the argument between "the aggregate demand school" and the "structuralist school" has been misplaced. While monetary-fiscal measures to maintain total demand are seen to be essential for sustained full employment and growth, policies to relieve structural imbalances in the economy are also basic in achieving these objectives. Geographic areas of high unemployment and lagging economic development are generally viewed as serious reflections of structural imbalance, requiring ameliorative policies on the federal, state and local levels. National full employment furthers the success of regional policies just as regional policies may help to ease inflationary pressures when national full employment is approached.

The aggregate demand - structuralist controversy has its counterpart within the realm of regional economic policy. Is it enough to concentrate on expanding the demand for labor in a depressed area by attracting physical capital and employment opportunities? Or must the policy-makers also look to the balance between labor supply and demand, i.e., to the appropriate development of human and physical resources? It is increasingly agreed that the most effective policy-mix for regional as well as national economic growth combines liberal investments in human resources (education, training, health, relocation) and in physical capital. As Gary S. Becker has noted, the recent surge of interest in "human resources" stems from the "realization that the growth of physical capital ... explains a relatively small part of the growth of income in most countries."[1]

Similarly, the sole concentration on demand through the attraction of new industry has had only a few major successes in providing substantial and sustained regional economic growth.[2] Not all policies of demand-expansion had the desired regional effects. Federal grants to developing plants in some depressed areas have suffered discouraging setbacks. For example a manufacturer who attempted to use former coal-miners for making furniture found poor talent and poor roads; an auto maker who established a plant in a depressed area must compete in Detroit for the majority of his workers; a casket company closes up shop in a high wage labor market and moves to a less costly area.

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[1] Gary S. Becker, Human Capital (New York: National Bureau of Economic Research, General Series, No. 80, 1964) p. 1.

[2] Auburn, New York and Evansville, Indiana are two publicized areas in this category.

It is clear that in at least some of these instances greater attention to human resources might have prevented failure in the short-run while contributing to long-run regional growth.

B. Investment in Physical Capital and Human Capital

The viability of a region's economy rests on its economic potential; and its potential rests not only on what it is producing, but also on what it can produce. Production is in turn the result of two direct inputs, capital, the physical element, and labor, the human element. In assessing these non-inherent attributes of a region we must look at its physical capability as well as its human capacity since both are limiting factors which constrain each other.[3]

The importance of the human capacity of a region is the subject of this report. Too often human capacity is relegated to a minor role, if discussed at all, by regional analysts.[4] This report is designed to assist planners and policy makers with respect to the development of regions through programs designed to improve its human resources.

There is a paradox in the discussion of the development of a region's human resources. With limited funds available to them, policy makers are rather hesitant about investing these funds in human beings upon whom they can place no claim. The investment in human as opposed to physical capital is unredeemable once it is made, and there is no guarantee that in making the investment the "poor" region will reap the returns. The fact is, as will be discussed in a later section, that the more a depressed region invests in the education of an individual, the greater the probability that that particular individual will leave the region of his education.[5]

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[3] This is to say that while the nature and extent of the two elements are variable, technology limits the mixture so that a super abundance of one cannot compensate for the lack of the other.

[4] The work of Perloff, Dunn and Lampard, Regions, Resources and Economic Growth is a prime example of our point. In this definitive study of the resources of the American economy not one thought is given to discussing human resources!

[5] Substantiation of the correlation between education and mobility can be found in most statistical studies of migration:

Russell B. Adams, "Population Mobility in the Upper Midwest," Upper Midwest Economic Study, Urban Report Number 6, Minneapolis, May, 1964.

Rashi Fein, "Educational Patterns in Southern Migration," Southern Economic Journal, July, 1965.

Simon J. Kuznets, Hope T. Eldridge and Dorothy S. Thomas, Population Redistribution and Economic Growth, United States 1870-1950, Philadelphia: American Philosophical Society, 1964, 3 Volumes.

What is the relationship between the growth of a geographic area, particularly one that is generally developing below the national rate, and its physical and human resources? The answer is neither simple nor general. Instead, each region must take stock individually using general guidelines which we hope to establish from the currently available literature.

As noted above, the investment in education and training poses a serious dilemma in regional policy. While education has been mostly a local issue in American history, the need for some co-ordination by the Federal Government has become increasingly apparent. Because Americans have been a mobile people it is somewhat difficult to argue within a local context the necessity to pour funds into the education of local individuals when the very act of improvement provides them with a greater ability to leave the area. Thus the South imports the highly educated and exports the uneducated and disadvantaged, many of whom have been forced from a fairly sedentary life of sharecropping.[6]

The relation of education and mobility has implications for the choice of regional investment policies. Public financing has a limit and thus must be carefully allocated so that not only are returns greater than the expense, but that the highest return to the investment is obtained. When the choice of investments is between physical and human capital, especially within a region and by local policy makers, there are sufficient grounds for allocating expenditures on the former. While the finished human element may always be imported, roads, sewers, waterways and other social capital cannot. Secondly, there is always the possibility, discussed above, that once educated the human investment may just leave.

The crucial fact is, however, that by following this rather parochial line, local policy makers are not obtaining maximum returns for the public dollar. Becker has estimated that the marginal rate of return on a dollar spent on high school education is 14 per cent, while that spent on college education is roughly 9 per cent.[7]

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[6] The report by Mary Jean Bowman, "Human Inequalities and Southern Development," Southern Economic Journal, July, 1965 supplement, Education and the Southern Economy, pp. 73-102, provides ample evidence to support the above when viewed along with companion articles by Allan Cartier and Rashi Fein. Charles H. Berry's unpublished dissertation, Occupational Migration from Agriculture, (University of Chicago, 1961) illustrates the fact that many in-migrants to Northern cities were virtually pushed from their homes by economic conditions rather than pulled by economic opportunity.

[7] Becker, p. 78.

In the process of improving the income and Gross National Product, the analogous account for the region will also improve. However, there is no sound guarantee that regions which are currently depressed would share equally in such a growth, that their newly educated populations would not rush away.

Southern programs geared to improve the human resources in depressed areas can succeed in abolishing these pockets of depression only by co-ordinating them with other programs of regional development. In other words, there must be a scheme for fitting all of the programs into a unified regional development package. Vocational education, retraining, and in some instances relocation provide acceptable vehicles to carry such a program to fruition.

Denison has estimated that the direct contribution of education to the growth of the GNP in the United States from 1929 to 1957 has been about 20 per cent of the increment.[8] Schultz's calculations for the same period support Denison.[9] Denison's study also notes the historical and projected trend of the contribution of education to growth. In the period from 1909 to 1929 the growth of physical capital dominated overall growth contributing over twice as much as education. During the second period, which was marked by a depression and a war, the contribution of education to growth doubled and surpassed the contribution of physical capital. A well-reasoned estimate of the contribution of education to future growth indicates a tapering-off as a saturation level is attained. Nevertheless, it has been estimated conservatively that education will contribute almost as much to the annual national growth rate in the twenty years after 1960 as it did in the thirty years before 1960.[10]

When coupled with our knowledge of the rates of return to various levels of educational attainment as set forth by Becker, Schultz, and W.L. Hansen,[11] the evidence in favor of increased allocation to education is undeniable. A study by Micha Gisser provides even greater support with the finding that a high rate of return to schooling existed even for farm hands.[12]

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[8] Edward F. Denison, The Sources of Economic Growth in the United States and the Alternatives Before Us. (New York: Committee for Economic Development, 1962).

[9] Theodore W. Schultz, "Education and Economic Growth," Social Forces Influencing American Education, ed. Nelson B. Henry, (Chicago: University of Chicago, 1961).

[10] Theodore W. Schultz, The Economic Value of Education (New York: Columbia University Press, 1963) p. 45; Denison, p. 35.

[11] Becker, Human Capital, p. 78.
W. L. Hansen, "Total and Private Rates of Return to Investment in Schooling, Journal of Political Economy, Vol. 71, April, 1963.
Schultz, "Education and Economic Growth."

Although these findings relate to the national economy, it is hypothesized that investments in education and training also have high returns in regional policy. The regional returns to mobility are less clearly established. In the following two sections an attempt is made to assess the state of our knowledge in the fields of training and migration in depressed areas, and of the feasibility and desirability of relocation programs. However, at this point it may be helpful to place this study in perspective. In most cases we have chosen to judge regional development by a monetary yardstick, "a process resulting in a secular growth of regional output or real income."[13] Regional development programs of the type described in this study are deliberate attempts "to influence the underlying factors affecting regional output."[14]

In trying to isolate the effects of a development program within a region one must be extremely cautious not to overlook the effects of that program on demand in nondevelopment regions. Because most funds for a training program are spent locally, the external effects on other regions are minimal. When, for instance, the Tennessee Valley Authority was effected, the demand for generators, engineers, building materials, etc., had a significant impact on the national economy. Coming during a period of depression, such demand was welcome. In a period of inflation such a program would only add to excess demand.

Our main method for evaluating regional programs has been through relative changes as for example in real income before and after TVA was operative. Krutilla justifiably raises the question as to whether with our limited data and regional policy methods we can realistically measure such effects.[15] The alternative is qualitative evaluation which runs against the criticism of objectivity.

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[12] Schooling and the Agricultural Labor Force (Unpublished Ph.D. dissertation, University of Chicago, 1962), reported by Schultz, The Economic Value of Education.

[13] John V. Krutilla, "Criteria for Evaluating Regional Development Programs," Regional Development and Planning: A Reader, ed. John Freidmann and William Alonson, (Cambridge, Massachsetts: The M.I.T. Press, 1964), p. 600.

[14] Idem.

[15] Krutilla, p. 602.

Evaluation has frequently been carried out in the form of cost-benefit analysis. While the specific relevance of this evaluation method to training and relocation programs is discussed in the following sections, a brief note of caution should be mentioned here. Cost-benefit analysis provides a neat balance sheet for the evaluation of a program. However, as a stock picture it neglects much of the dynamics of such programs. It is important to know when to accept such methods as accurately portraying a program and when to be able to overlook the figures. Crucial to such a stocktaking is when it takes place. Evaluation at the outset of a program by cost-benefit analysis is not circumspect. If necessary, projections of total costs and benefits over the life of the program should be computed. Moreover, such analysis pertaining to the people of a region must be viewed with further caution because it may fail "to provide much insight into the effect of such programs ... on the region itself."[16]

Another criterion for a policy of developing depressed areas, within the context of a healthy external economy, is the extent to which these efforts assist developing regions "to supply over time, a greater share of the total economy's expanding demand for goods and services,"[17] as well as providing for its own needs. Since progressive technology requires both technically efficient physical capital and technically competent personnel, the former, alone, appears to have run its course several decades ago. The literature reviewed in this report indicates that resource development must include improvement of the human element if all the benefits are to be gained from the physical investments.

C. Federal Legislation and Regional Development

Federal legislation to further regional development has recognized the complementarity of investments in physical and human capital. The initial legislation, the Area Redevelopment Act of 1961, wisely included provisions for retraining as well as the expansion of factories and improvements in infra structure. With the passage of the successor legislation, the Economic Development Act, with the amendments to the Manpower Development and Training Act of 1965, and with the initiation of the "war on poverty," human resource development was largely transferred to the MDTA and the Economic Opportunity Act. Western European countries have had similar legislation for many years.

A substantial portion of MDTA training programs are now focussed on regions of lagging economic growth; and the experimental relocation projects established through the MDTA concentrate on the movement of workers from such regions. Although many of the measures initiated under OEO are centered on urban problems, their provisions for basic education, training, health and welfare also cover depressed rural areas.

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[16] Krutilla, p. 605.

[17] Krutilla, p. 606.

In the review and analysis which follow, these public policies are appraised against a background of research findings in the field of regional development. In the concluding section, further research is suggested in order to provide additional insights for fruitful expansion of these legislative policies.

II. EDUCATION AND RETRAINING IN REGIONAL DEVELOPMENT

A. Retraining, Human Capital, and Growth

In attempting to provide "A Planning Model for the Educational Requirements of Economic Development," Jan Tinbergen and H. C. Bos detail some of their findings as to the relationship between economic development and education:

1. economic life needs a stock of qualified manpower; the flow of new graduates from educational establishments represents a very small proportion of this stock in view of human longevity;
2. education often consists of a series of successive stages, each depending on the former for its supply of new recruits, e.g., expansion at university level would be impossible if sufficient secondary-level graduates were not available;
3. part of the stock of qualified manpower must be used in the education process itself--as seed is used in agriculture;
4. qualified manpower may be imported.[1]

If we are to accept these findings of Tinbergen and Bos, and a significant amount of empirical weight stands behind them, we must view all potentially successful educational policies as long-run, needing perhaps a generation or more for positive critical evaluation. However, in order to provide current normative guides for human resource development in depressed areas, an effort must be made to arrive at short-run evaluations. This section looks at possible evaluative criteria, specifically regarding short-run programs of retraining, and finally relates the short-run programs and policies to the long-range question of vocational education in the United States on a regional basis, with the primary emphasis upon relieving manpower problems in depressed areas.

In the first section of this paper we reviewed the findings of Becker, Schultz, and Denison as to the contribution of general education to the national growth rate as well as the rate of return inherent in certain levels of education. Apparent in the works of the first two writers is the fact that the marginal rate of return (the additional income for each additional year of school) declines to a fairly constant level for high school graduates and beyond; yet, it starts at a very high level. One estimate by Schultz cites a figure of 35 per cent for completion of elementary school.[2]

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[1] The Residual Factor and Economic Growth, Organization for Economic Co-operation and Development, Study Group in the Economics of Education, Paris, 1964, pp. 147-48.

[2] Theodore W. Schultz, "Education and Economic Growth." Social Forces Influencing American Education, ed. Nelson B. Henry, (Chicago: University of Chicago Press, 1961), Table 18.

The same study indicates a decline in the marginal rate of return to the generally educated high school student over the decade 1949-58, emphasizing the need for such students to obtain specialized training after high school. Increased college enrollments and graduations, with a constant marginal rate of return (approximately 10 per cent) over the same period, indicates the degree of the upward shift in the education standards of today's labor market. The ever-increasing number of technical schools and post-high school vocational education programs dramatizes this point even more.

While our future manpower demands have been partially met by the market mechanism, market forces have not been sufficient. The institution of government-sponsored training programs was the result of this failure of the market to reach a significant portion of the potential labor force, and more importantly, provide a means whereby the most disadvantaged segment could obtain the necessary training.

Of more immediate need for attention, however, is the group of persons whose job possibilities have been reduced by a decline in aggregate demand and/or technological change. These workers, many unemployed in the prime working years (25-49), have posed an immediate problem to several areas of the country. Retraining is directed at providing these workers with new or improved skills to enable them to become productive members of the economy again.

Because of the diverse nature of specific retraining programs it is difficult if not impossible to provide a blanket endorsement or rejection on economic grounds. There can be little doubt on social-humanitarian grounds that these programs are desirable. Yet, certain criteria may be established for evaluating the economic portent of these programs, namely, the total costs and the anticipated returns. In a system with limitless resources expendable on education there are no costs for the retraining of the chronic unemployed since there are no earnings foregone and education becomes, by definition, a free good. However, the situation is quite different in reality. Educational resources used for retraining, must be diverted from other uses. The cost of diverting these scarce resources to retraining can be determined by obtaining the projected rates of return in each of the alternatives. Everything else equal, providing retraining to a 45 year-old man with a twenty year maximum return working life is certainly less efficient than providing the same training to a man 35 who has a maximum of thirty years. But what of diverting funds from college education, with its marginal rate of return of 10 per cent, to elementary school education, with its marginal rate of return of 35 per cent to disadvantaged, (including older) workers? The answer to the question rests on a comparison of the discounted end result of both alternatives.

If a retraining program does anything, it increases the value of a region's human capital by reducing unemployment and raising skills. The effects depend upon the nature and extent of the training program and the mobility patterns induced by training. If a region experiences 10 per cent persistent chronic unemployment and the retraining program can handle only 10 per cent of the unemployed (1 per cent of the total regional work force), a 70 per cent post-training employment rate can directly reduce unemployment by 0.7 per cent. A similar program that could encompass the total pool of unemployed, and also have 70 per cent success, would eliminate the problem of chronic unemployment in the region.

The extent to which a retraining program directly improves the human capital of a region depends upon the level of skill being taught. Programs to upgrade presently employed workers add little immediately to the gross regional product (GRP), but they do increase the value of the region's stock of manpower. In the process of upgrading, jobs become available at the bottom, the unskilled level in which we find most chronically unemployed workers. In some cases, unemployed workers are trained directly on a new job for which they are hired. Thus, on-the-job training can be a powerful agent in a total retraining program.[3]

Aside from the total economic resources allocated to retraining and the specific courses offered, much of the success or failure of these programs rests upon the personal and social characteristics of the trainees and upon external economic factors. We have already indicated that the age of retrainees is important. Other factors which apparently weigh heavily in determining the degree of success of a program are the present education of the worker as well as his family situation.

Retraining can involve expert radar technicians who have had post high school training or sharecroppers who may be barely literate. Because of the large drop in earnings which the former group would suffer by participating in a full-time training program, such programs must be devised which limit this hardship. In the case of sharecroppers who live at minimum levels, a resident program which upgrades their educational level as well as orients them to industrial life may be essential for success.

A key demographic factor in determining whether a potential retrainee will be a successful participant in a retraining program is his family status. A young unmarried man with no dependents is more likely to drop out of a program if it becomes the least bit unappealing to him. The fact that the highest rates of return to investment are found in developing this group, however, has made them a prime target of training and relocation programs. From a stability point of view, the greatest success of manpower programs occurs within the age group of men 20 to 35. This finding is quite understandable since the general circumstances of these men are that they are married and have responsibilities and motivation, and there is a real need for them in the labor market once they obtain a certain level of skill.

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[3] MDTA reports by the Department of Labor show that on-the-job training programs are the most successful ones, although no hard research has been done as to the total employment effects of these programs--that is, how many jobs filter down to the labor market of the unskilled.

Finally, the effects of retraining on regional human capital depend upon exogenous economic forces, both national and regional. The closer the economic forces come to the particular situation, the more relevant their effect. The nature of the regional economic structure, particularly the local labor market, is important in this respect. The success of a retraining program is significantly affected by the local trends in employment. A program which, for instance, neglects a seasonal employment factor in which potential retrainees may be hired, such as a cannery, fruit picking, etc., may have trouble in retaining their students for the full term. Cyclical changes beyond the planning board may temporarily reduce chronic unemployment in depressed areas as aggregate demand calls for the marginal workers. It is important in such instances that the program increase skills sufficiently to help retain these persons who might otherwise be the first laid-off when demand slackens.

U. S. and Western European programs are reported upon in the next two parts of this section with the view toward establishing criteria for further research in retraining which can be related to programs of education in general, and to vocational education in particular.

B. U. S. Experience with Retraining[4]

While the Area Redevelopment Act (ARA) of 1961 contained the first substantive program of retraining assistance to depressed regions of the United States, there has been an underlying policy of aid to education in the U. S. since 1917. Thus the six-year battle waged in Congress by Senator Paul H. Douglas, among others, for inclusion of retraining in any bill to aid depressed areas must be understood within the context of civil rights and equal opportunity prevalent in much of the debate.

It was held that a program of aid to depressed areas could not succeed if the sole intent was to subsidize new industry in these areas; a program to provide the skilled manpower for new industry was seen as an essential complement. The legislative process is now history as is ARA[5], yet many of the programs started under this act remain to be evaluated.

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[4] All reports discussed in this part of the paper have been abstracted for inclusion in the bibliography section of this report.

[5] Sar A. Levitan, Federal Aid to Depressed Areas, (Baltimore: The Johns Hopkins Press, 1964) provides an account of the bill as well as an account of some of the programs. ARA was essentially replaced by the more comprehensive Economic Development Act (EDA) in 1965 which does not have to rely upon the rather strict designation areas established under ARA.

Bureau of Indian Affairs

Actually the longest running retraining program in the U. S. has been handled by the Bureau of Indian Affairs. The basic purpose of the Employment Assistance Program was to assist Indians in their move from the reservation to jobs in cities. In retrospect, however, the relocation project *per se* was a fiasco. Encouraged to leave the poverty of their reservations in the Southwest in quest of more comfortable living in cities, principally Los Angeles, Navajos soon returned home. Two principal reasons dictated this course. For one, they were discriminated against, but more importantly, they did not have the background for successful integration into urban industrial life.

Consequently in 1956, ten years after the inception of the program, training in the form of apprenticeship, on-the-job training, and vocational education was instituted. Unfortunately the Bureau has not sufficiently evaluated their programs to yield benefit of experience to the newer retraining programs. However, from informal discussion one finds that the degree of success of the total program depends upon establishing job opportunities within the vicinity of the reservation for social reasons. Relocation, even when coupled with acceptable training levels, has met limited success under the Indian Affairs program.

The experience is useful if it only serves to emphasize the obvious fact that retraining should be coupled with the provision of economic opportunities for the retrainees within their current environment, if at all possible.

Basic Skills Program in New York City

Depressed areas are a relative concept. Most of us have been educated (especially by ARA) to think of them as rather substantial areas of land, such as Appalachia. Yet the relevance of a lack of economic opportunity finds its way into the most prosperous environments which are presumably most able to cope with the problem when prodded. The experiences of some of these programs provide a back drop for the more serious cases in which persons must not only be upgraded in skills, but also encouraged to seek a new life in a different place.

The Basic Essential Skills Training (BEST) program was initiated in New York City, December 1965. While it could never have qualified as a depressed area under ARA, portions of the city have had unemployment problems of a scale as large as Appalachia. In New York City the problem has been that of filling job vacancies with qualified personnel. Essentially the program in New York provides a model of the success potential of retraining with the problem of relocation eliminated. In the BEST program persons are trained to operate heavy vehicles, do maintenance work, repair and install machinery in the local area. There is no remuneration for attending classes, yet there is a waiting list of over 2,000 (the initial project has 600). The cost of the program is $1.8 million, but the elimination of 350 welfare cases already has meant a saving of $1.5 million to the public. Included in the retraining programs are remedial literacy skills and courses for the non-English speaking; the small size of classes has also contributed greatly to the success of the program.

The Norfolk Program

The Norfolk Virginia State College project provides some guidance in establishing criteria for retraining programs. Within the 52 week training period, 90 Negroes were trained for 5 skilled occupations. Training included remedial education designed to help graduates get and hold jobs.[6] The program evidently helped to break the cycle of low-skill, low paying jobs for many graduates. The success of the program, as judged by the immediate employment rates of trainees, was greater than the average of other MDTA programs even though concentration was placed on a disadvantaged group.

Reasons for the high initial success of the Norfolk project are not hard to find. The Norfolk labor market is very short; a large portion of employment is on military work which forbids discrimination in hiring (except for security clearance which did prove to be a problem for some trainees with police records); 56.6 per cent of the trainees were 29 or younger, while only 21.1 per cent were 40 plus. To start with, one-third of the graduates had 12 or more years of education and the majority had more than 10 years, equal to the average educational attainment of the U. S. population. In spite of these factors lending to initially high placement rates, a full evaluation must wait upon a lengthier period of study in periods of national recession as well as prosperity.

One part of the Norfolk study does have particular relevance for policy aimed at the establishment of sound retraining programs. William F. Brazziel reports upon the "Effects of General Education in Manpower Programs,"[7] that the degree of success of a training program can be enhanced by providing reading, language arts, arithmetic, and human relations along with an hour of directed study to trainees.[8]

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[6] Pierce A. Quinlan, Graduates of the Norfolk Project One Year Later, Manpower Evaluation Report No. 5 (Washington: U. S. Department of Labor, Office of Manpower, Automation and Training, 1965), 25 pp.

[7] Journal of Human Resources, Vol. 1, No. 1, pp. 39-44.

[8] See Abstract section for more detail.

Massachusetts

From the local programs involving approximately one labor market we move to the broader state-wide programs (emphasizing development areas) of Massachusetts, Michigan, Illinois, Pennsylvania, Oklahoma and finally the fertile laboratory of West Virginia.[9] Massachusetts was the first state in which retraining could be started while trainees still received unemployment compensation and thus provides the longest history of such programs within the present context of ARA and MDTA programs. Begun in 1958, retraining programs in Massachusetss have increased average yearly income of formerly unemployed retrainees who have worked more than one year since their program by 35 per cent.[10]

A non-trainee control group, the report continues, increased their income by only 10 per cent. Comparative gains were also made in number of weeks per year actively employed by the retrainees. The Massachusetts study indicated that the unemployed were generally interested in retraining except for those who considered themselves too old. Most interest centered upon obtaining steady employment rather than inflated expectations as to post-training skills.

Michigan

The Michigan program is long-range in scope as it seeks to integrate retraining into the program for vocational and technical education.[11]

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[9] In addition to the specific sources cited below, reference to evaluations of retraining in these areas can be found in several more general economic analyses. A number of these studies have been supported by a grant from the Ford Foundation to the University of Wisconsin. The methodology of the major studies, those in West Virginia, was described in Gerald Somers' earlier paper in this series, "Retraining: An Evaluation of Gains and Costs," in Arthur Ross, ed., Employment Policy and the Labor Market (University of California Press, 1965). See also, Somers and Ernst Stromsdorfer, "A Benefit-Cost Analysis of Manpower Retraining," Proceedings of the Industrial Relations Research Association, December 1964; Glen C. Cain and Stromsdorfer, "An Economic Evaluation of the Government Retraining of the Unemployed in West Virginia," in Gerald G. Somers, ed. Retraining and Unemployed, to be published by the University of Wisconsin Press; Michael E. Borus, "The Economic Effectiveness of Retraining the Unemployed," Yale Economic Essays, 1964: and David A. Page, "Retraining Under the Manpower Development Act: A Cost-Benefit Analysis," Studies of Government Finance, Reprint 86 (Brookings Institution, 1964).

[10] "Retraining the Unemployed," New England Business Review, August--September, 1962, Part I, The New England Experience.

[11] Education and Training for the World of Work: A Vocational Education Program of the State of Michigan.

Among the facilities called for in the program are comprehensive area post-secondary and adult education institutions on the lines of community colleges; comprehensive high schools incorporating general and vocational schools; and area vocational schools in which several school districts co-operate in the purchase and use of a vocational school.

Michigan's program seeks to avoid the wastefulness of crash programs and begin at the minimum level of providing work skills and functional literacy to youth. Michigan, like Massachusetts, has reworked legislation to provide unemployment compensation to persons in retraining programs.

Illinois

An Illinois study claims that a major problem of its unemployed is also functional illiteracy.[12] Programs of rehabilitation have not considered the individual problems of potential beneficiaries. Scheduling was found to be a problem of convenience, and many instructional materials could not be related by students to their own world. Many persons were compelled to attend or sacrifice their welfare checks. Prescriptions to avoid these problems are detailed in the report.

Pennsylvania

Three types of retraining programs are examined in the report, Pennsylvania Meets the Challenge of Retraining by Carl J. Shaefer. These programs were conducted under state statutes, ARA, and MDTA, and specific provisions of the enabling acts are detailed. The report focuses upon the communities and occupations involved describing and evaluating curriculum development and training groups as well as facilities and the instructional program.

The following qualitative recommendations were made from early assessment of the programs. 1) Job trials should be used to assist trainees in making valid occupational choices. 2) Permanent facilities for training should be established throughout the state. 3) Retraining should emphasize work attitude as well as skills. Finally, 4) continued provisions should be made for job, intermediate and field oriented training programs.

Oklahoma

Tarver and Hellewege have run an analysis of variance on pre-training aptitude test scores and post-training employment of trainees in seven of

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[12] Educational Rehabilitation: An Evaluation of the Adult Basic Education Program of the State of Illinois.

32 Oklahoma ARA programs.[13] Overall "success" of programs as measured by permanent, training related occupations occurred when trainees were married, older on average, trained for welding, but with a greater formal education than average. General education, spatial relationship aptitude and finger dexterity were most highly correlated with success of programs.

West Virginia

An extensive survey of trainees and control groups of non-trainees was carried out in five redevelopment areas of West Virginia in order to assess the benefits of retraining under the early ARA and State programs. The basic methodology used in the West Virginia surveys was followed in a number of depressed areas of Massachusetts, Connecticut, Illinois, Tennessee and Michigan.[14]

These studies indicate the substantial benefits derived by the individual trainees from their retraining. Whether one uses such simple measures as a "pay-back period" (the period of time before accumulated gains in earnings offset the costs of training) or calculates a rate of return on the training investment or the increase in capital values, the favorable impact of retraining is underscored. A multiple regression analysis has also emphasized the crucial role of the retraining programs in explaining the post-training benefits derived by the trainees.

As heartening as these results might be for the individual trainees, they say little about achievement of the objectives for the particular region or for society as a whole. It may be that the trainee's improved employment status was achieved at the expense of a decline in status of other unemployed workers competing for available jobs. The retraining programs could be said to reduce total unemployment in the area and the economy only if training results in an increased number of jobs for the unemployed or in the more rapid filling of a previously "unfillable" job opening by a newly-qualified unemployed man. The studies were able to provide little evidence along these lines.

C. The Western European Experience

While the national program to aid workers in depressed areas in the United States is relatively new, much relevant experience may be obtained from the older programs of Western European countries.[15] In almost every case, aid to depressed areas is developed within the context of national economic planning. Thus in Great Britain where large cities and conurbations are viewed as both a social and a health menace (remember the 4,000 deaths in London smogs) parliamentary action has been taken to make industry locate outside of the overly developed areas.[16] However, little vocational training has been done by the British Government since primary responsibility has rested with the trades and industries concerned.[17]

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[13] James D. Tarver and Ernest A. Hellewege, "Area Redevelopment Act Training Program in Oklahoma," Southwestern Social Science Quarterly, June, 1965, pp. 47-58.

[14] See the citations in footnote 9.

In Sweden the Royal Board and county labor market boards ascertain immediate training needs from current and estimated future skilled manpower requirements. Long-term manpower assessments are made by the Royal Board and county labor market boards ascertain immediate training needs from current and estimated future skilled manpower requirements. Long-term manpower assessments are made by the Royal Board. Whenever feasible unemployed workers are relocated in a place where their skills may be used. Relocation assistance is provided by the Government in the form of moving subsidies as well as living subsidies for up to one year. Training allowances are at a flat rate, and although some unemployed workers could obtain higher rates of compensation through unemployment insurance which is graduated, they are encouraged to enroll in retraining programs since by so doing, they extend the total period for which they can remain eligible for unemployment compensation.

French programs are organized under the control of the Ministry of Labor through a managing board composed of six Ministry officials, six selected by an employers group, and six worker's representatives appointed by the "most representative" trade unions in a district. Trainees are between the ages of 17 and 35 and must pass physical and aptitude tests to be accepted in a course which lasts about 23 weeks, many times as a resident.

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[15] Margaret S. Gordon, Retraining and Labor Market Adjustment in Western Europe, (Washington: U. S. Department of Labor, Office of Manpower, Automation and Training, August 1965) provides a thorough description and discussion of retraining programs in Belgium, France, West Germany, Italy, the Netherlands, the United Kingdom, and Sweden (see abstract section).

[16] William H. Miernyk, "Experience under the British Local Employment Acts of 1960 and 1963," Regional Research Institute, West Virginia University, preliminary draft; Alan J. Odber, "Regional Policy in Great Britain," Area Redevelopment Policies in Britain and the Countries of the Common Market, ed. Frederic Meyers, (Washington: U. S. Department of Commerce, 1965); "Assistance to Labor Surplus Areas in Europe," Monthly Labor Review, June 1960, pp. 569-76.

[17] Phyllis P. Groom, "Retraining the Unemployed: I - European Government Programs," Monthly Labor Review, August 1961 pp. 823-28.

The fact that national officers are responsible for local decisions in France makes programs less flexible in meeting immediate needs of a local nature. There is also a problem of rigidity when vested interest groups (employers and Unions) dominate the departmental and national committees determing policy. In West Germany, by contrast, local officials work rather autonomously in designing programs for the local economy. Thus, in the Federal Republic, there is little co-ordination of redevelopment policies supported by the Bonn Government.[18]

In the Netherlands 25 regional training schools for adults, 18 to 50 years of age have been established to train, retrain, and refresh the training of workers who have been disassociated with the mainstream of their trade for several years.[19] Training is provided in trades which attract an insufficient number of young people and in which in plant training possibilities are inadequate. Participants are compensated for wage loss, travel costs, and costs of room and board. The Dutch program seeks mainly to relocate married workers into either "development nuclei" or to an area of labor shortage. In either case these workers obtain full compensation for travel costs for their entire family, as well as $67 plus $11 per child for resettlement expenses. In order to encourage moves to development nuclei, workers are offered an incentive of 50 per cent of the costs of room and board, or 50 per cent of daily travel costs for one year.

Italian programs to aid workers in the South are of particular interest to U. S. regions with large underemployed agricultural populations. Programs to develop the abilities of Southern workers were legislated in the Casa per il Mezzogiorno. Originally no funds were provided for vocational education. However, new legislation permitted the Institute to train technicians and skilled workers whose talents were needed in developing regions. From its allocated funds the Casa has financed the construction of elementary schools and agricultural institutes. It has also stimulated instruction to educate, encourage, and maintain managerial and technical talents for new industry in the South. For those southerners who migrate to the North, the Casa maintains a vocational training center as well as an assistance center which helps to acquaint migrants to the society of the northern cities.[20]

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[18] Dietrich Storbeck, "Regional Development Policies in the Federal Republic of Germany," Area Redevelopment Policies ..., pp. 171-214.

[19] L. H. Klaassen, "Regional Policy in the Benelux Countries," Area Redevelopment Policies ..., pp. 21-84.

[20] Ettore Massacesi, "Regional Economic Development Policies in Italy," Area Redevelopment Policies ...; "The Southern Italy Development Fund and Vocational and Technical Training," Italian Affairs, Vol. 12, no. 4, 1963, pp. 4497-4510.

The major differences between current U. S. thinking on human resource development and that in most Western European countries is the greater emphasis on relocating workers in the latter policies. In most Western European countries, regional development policy has developed to the extent of being able to emphasize centers of growth, and deemphasize the growth of already congested areas.

In conclusion, reports on European experience indicate the success of retraining programs when coupled with redevelopment policies, the finer details of which are described in the various references noted in this section. Unfortunately, rigorous benefit-cost analyses of these programs are even more rare in Europe than in the U. S.. However, regional planners may learn extensively from the experience of these multifaceted programs and avoid many of the errors committed by them in the process.

D. Long-Run Vocational Education Policy

At the beginning of this section we noted the need for putting short-run programs such as those offered by ARA and MDTA into long range perspective. Such continuing programs have been a hall-mark of the Western European experience which has consistently shown low unemployment rates over the past decade. The Swedish program aims to provide facilities to retrain about one per cent of its work force per year in the future. Such a program would be vast in U. S. where close to one million workers would be retrained each year under such a program. Yet, within the current context of $500 per worker in O.J.T. programs and $1,900 per institutional trainee, the expenditure to provide this continual upgrading of the work force is not an extravagance.

In order to approach such a level in retraining such programs must be placed within the perimeters of an expanded and more fully evaluated vocational education program. For this reason each region must assess its current programs in vocational education in terms of future manpower needs, perhaps by reviewing the costs of such programs in the light of future economic and social benefits. Out-dated programs in vocational education must be eliminated if vocational education as a whole is to take its justified place in the technological revolution.

Improved educational facilities involving large initial capital outlays may be discouraged at first. We have stated earlier that there is a dual role for education in depressed areas. For one, an educated work force provides an attraction to employers who are becoming less and less tied to former locational advantages such as rail and water routes of transportation and absolute proximity to market. Conversely, better education provides a means by which persons who have been disadvantaged by place of birth can find opportunites in other areas. The fact that the latter has been the historical situation has sometimes led policy-makers in such areas to neglect the improvement in education. The poverty-cycle stems from this policy cycle.

Retraining can be considered only as an interim short-run policy. Of course a series of short-runs carried ad infinitum is a long-run policy, but in this case, a rather inefficient one. Efficiency is a particularly important goal in an economy in which all sectors are running at full-employment. Consequently where full employment is a goal, the most effective program for providing manpower of sufficient skill level must be sought. As Aller points out we do not really know how efficient the stop-gap measures of ARA and MDTA really are.[21] Establishing more control groups of comparable non-trainees, beyond those studies already undertaken, would help to show the effect of training programs on employment.

The fact that most of these programs are geared to immediate results has had the unfortunate effect of rejecting many of the people whom they might help. More research in designing programs for the particularly disadvantaged older workers and functional illiterates needs to be added to the further research on improving the moderately successful present programs that have assisted the most able disadvantaged. Programs of this nature are particularly needed in chronically depressed areas in which selective migration is leaving the most disadvantaged in poverty.

While the feasibility and desirability of relocating workers or at least making them more mobile is discussed in the following section, it seems relevant at this juncture to assess the alternative of encouraging new industry to locate in depressed areas. One of the needs of such industry is usually a pool of skilled manpower. When education has not and cannot provide such a pool in a limited time, it must be imported. In some cases it may be beneficial to a local planning group to subsidize this importation of skilled labor. Simultaneously, the label of "depressed area" which has had a serious psychological impact on a person being sought for a skill must be reconsidered by planners and policy makers who must view such places as developing regions rather than distressed or depressed. Only when other policies are considered too costly should a policy of relocation be instituted.[22]

Retraining has provided a successful transition for several areas threatened by the closing of a mill. The fact that activity to find new industry and retraining to meet the needs of that industry began almost concurrently with plant shutdown is seldom emphasized. Yet, the time element is crucial in deciding the characteristics of the labor force remaining. In Utica-Rome, New York, retraining began with the closing of the large textile mill and proved largely successful.[23]

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[21] Curtis C. Aller, "The Role of Government-Sponsored Training and Retraining Programs," Unemployment in a Prosperous Economy, ed. William G. Bowen and Frederick H. Harbison (Princeton Manpower Symposium, May, 1965), pp. 126-141.

[22] Isadore Lubin, "Reducing Unemployment in Depressed Areas," American Economic Review, Vol. 50, No. 2, May 1960, pp. 162-70, notes the lack of success of subsidized relocation projects in New York.

A slightly different case of lingering unemployment has confronted the Altoona, Pennsylvania environment.[24] Plagued by the post-war decline of railroads the large Altoona yard has been gradually reducing it employment. Located in the depressed region of Appalachia, Altoona has little proximity to a prosperous economy. The lack of response of community leaders to try to remedy the situation is common in Appalachia and is particularly unique in economically depressed areas.

There is not the acute notice taken of the gradual rise in unemployment as when a plant completely closes which is typical of depressed areas like Appalachia. Most individuals take such setbacks as normal since cyclical movements have always brought employment back again. Scant notice is taken of the gradually aging population whose fortunate children have received enough education to get them out.[25] In fact it is by observing the migration rates of young people from an area that we can virtually tell whether it is economically depressed.

Garth Mangum has gone so far as to suggest that present policy in Appalachia must be concentrated upon developing the potential of the emerging labor force.[26] For this purpose he suggests a reduction in purely academic stress and an increase in vocational training. As with most sweeping policy recommendations this one is too much to swallow whole. However, the essence of the suggested policy, i.e. concentration on vocational education, agrees with the findings of this study for long-range planning aimed at relieving chronic unemployment in depressed areas. It is the division of academic versus vocational instruction that is a fertile discussion and research area.[27]

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[23] V. C. Crisafulli, "Economic Development Efforts in the Utica-Rome, New York Areas," Community Economic Development Efforts: Five Case Studies, (New York: Frederick A. Praeger, 1966) pp. 107-176.

[24] Jacob J. Kaufman and Halsey R. Jones, Jr., "Chronic Unemployment in Altoona, Pennsylvania," CED study cited above.

[25] Kaufman and Jones report from data gathered by the Altoona Vocational High School that out-migration of its graduates was 16 per cent in 1951 and 40 per cent in 1954-55.

[26] "Toward a Human Resource Development System for Appalachia," prepared for the Appalachian Regional Commission (xeroxed).

[27] It will be recalled that studies referred to in part C suggest that trainees do benefit from general education as well as skill training.

Economists have just started laying the groundwork for hard research into the issues of vocational education. Alice Rivlin has mentioned three of the questions which an analysis must ask:

> "--how much training should the labor force have?
> --where should training for work occur?
> --who should pay the cost?"[28]

Research to answer the first question must look at the relative rates of return to various aspects of vocational education programs in different environments. Within this context the alternatives of one-shot lifetime training should be compared to the probably necessity of continually retraining a portion (say 1 per cent) of the labor force each year as technological change produces the need for an upgraded human element. Much more must be known about the transferability of knowledge and skills to know the best mix between general and purely technical education.

The curriculum needs to be adjusted in many instances to reflect national manpower needs. This adjustment is particularly needed in areas of heavy out-migration. For this reason any excessive expenditure of vocational education funds on vocational agriculture must receive serious study as to the costs and benefits of such programs.[29]

Rivlin's second question, "At what level should vocational training begin?" cannot be given a general answer at present, if ever. Related questions such as what training is most effectively done by schools, on the job, or in some combination, must be answered on an individual basis.[30] The U. S. social structure which shuns the paternalism of employers as in Germany, Italy, and Japan, reduces the willingness of employers to contribute heavily to on-the-job training. In many situations such training is the only practical means for trainees to learn by using modern expensive equipment. The Manpower Development and Training Act which provides federal subsidies for on-the-job training programs is a step toward breaching the gap between workers needing to be trained and employers who need trained workers but cannot afford to foot the training bill.

"Who should pay for training and retraining?" is the final question that Rivlin asks. The rationale behind any public investment in a field such as education is that without such expenditures there is a considerable under-investment and thus a poor distribution of resources and unemployment. The appropriate allocation of such expenditures by federal, state and local authority, in human and physical resources, poses an especially challenging problem for regional planners.

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[28] "Critical Issues in the Development of Vocational Education," Unemployment in a Prosperous Economy, ed. William G. Bowen and Frederick H. Harbison (Princeton University, Industrial Relations Section, 1965), pp. 153-166.

[29] Rivlin, p. 159.

[30] Rivlin, p. 160.

III. MIGRATION AND RELOCATION

A. Extent and Patterns of Migration

The geographic movement of labor in the economy is a necessary occurrence. Mobility is an allocative mechanism which must be flexible so that the supply of labor and the demand for labor can be brought into balance. The amount of mobility required cannot be precisely defined; however, too much mobility or too little mobility can have detrimental effects on the allocation of manpower resources.

The role of geographic mobility in promoting regional development is a dual one. On the one hand out-migration from an area can remove some of the labor surplus which resulted from structural changes or lack of demand. Also, mobility can match workers with jobs that became available in areas other than their own. This latter role becomes important when skill shortages exist.

Geographic mobility occurs less frequently than other types of mobility such as occupational, industrial or employer mobility. Nevertheless approximately 20 per cent of the United States population changes their residence every year.[1] The questions which are important for regional development are those concerning the characteristics of those who move and the reasons for their mobility.

Patterns of Migration

Movement of a person's family and home is generally resisted. This fact is shown by the number of people who stay in a depressed area even though they may be unemployed and the numbers of people who return to these areas when jobs become available.[2] Nevertheless, depressed areas have experienced a large amount of net out-migration. Part of this results from high gross out-migration; however, it is also the result of very low in-migration. Lansing et. al. found that people who live in depressed areas are less mobile than people who do not live in such areas.[3] However, even with this net out-migration, unemployment in the area remains high. Part of the problem lies in the nature of the area's economy; i.e., declining industries, lack of diversification and plant closings increase the number of persons who are unemployed. It is apparent that out-migration has not been effective in bringing the remaining labor supply into line with declining demand.

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[1] U. S. Department of Labor, Mobility and Worker Adaptation to Economic Change in the United States, Manpower Research Bulletin Number 1 (Washington, U. S. Government Printing Office, July 1963) p. 22.

[2] G. H. McKechnie, "Retraining and Geographic Mobility: An Evaluation," Unpublished Ph.D. dissertation, Industrial Relations Research Institute, University of Wisconsin, 1966; and
G. G. Somers, "Labor Supply for Manufacturing in a Coal Area," Monthly Labor Review (December 1954).

[3] Lansing et. al., The Geographic Mobility of Labor: A First Report, Ann Arbor, Michigan, Survey Research Center, 1963.

B. The Mobile and Immobile Worker

There are many barriers to geographic movement and only a few can be explored here. The literature is extensive on the correlates of mobility.[4]

Age has perhaps the highest correlation with mobility. It is now firmly established that age and mobility are negatively related. As a worker approaches age 35 the propensity to move decreases. The worker begins to settle down and his life takes on a certain amount of stability. This has important implication for regional development. The younger workers are the most mobile group in the population. They may be "shopping around" for a permanent job and they have more working time ahead of them than older workers, and so they can make their move "pay off" more effectively. Thus, the young workers will leave depressed areas and the work force in the area will "age." Lansing et. al. found that depressed areas have a lower proportion of young single people and a higher proportion of older workers than other areas.[5]

Education and geographic movement are also correlated; however, the relationship is not as strong as that between age and mobility. The amount of education a worker has is related to his age. The younger workers have more education than older workers. It is found that the more highly educated workers are more mobile than the less educated workers and move more often. This has serious consequences for depressed areas. If the more educated workers leave the area, this may remove many skilled workers and thus the remaining work force may be unsuited for many jobs.

Community ties also exert an influence on workers' decisions to migrate. Workers who have strong local ties will not be as willing to leave their homes as those who do not have such ties. This may apply to the older workers who have become more settled and integrated into their communities.

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[4] Ibid., also Palmer, Gladys, Labor Mobility in Six Cities, (New York: Social Science Research Council, 1954)

H. S. Parnes, Research on Labor Mobility, (New York: Social Science Research Council, 1954).

L. G. Reynolds, The Structure of Labor Markets, (New York: Harper and Brothers, 1951).

[5] Lansing et. al., ibid., p. 230-234.

The fear of job insecurity in the new area is a powerful deterrent to mobility. One factor which is important here is the lack of information about opportunities in the new area. Many workers are ignorant of job opportunities elsewhere and will be unwilling to risk a move.

The evidence on the labor market success of workers who leave depressed areas is mixed. Gegan and Thompson found that the out-migrants had less success in terms of amount of employment than those who did not move.[6] On the other hand, Saben found that the out-migrants had better employment records than non-movers.[7] In a study of a sample of workers from West Virginia, it was found that the young out-migrants had better earnings records after their move than non-migrants. However migrants over 45 years of age had lower earnings than the non-migrants.[8]

These major barriers are not the only deterrents to geographic mobility. Some of the other barriers which could enter into a mobility decision are: Lack of previous mobility; marital and family status; home ownership and institutional factors such as trade union membership to mention only a few. Basic personality patterns are also of great importance in determining potential mobility.

These barriers to mobility have important consequences for regional development. Some areas may not be economically attractive to industry and so the work force may experience much unemployment. At the same time the barriers to mobility may prevent many workers from leaving such areas and thus the labor surplus becomes a persistent one.

The workers who do engage in geographic mobility are those whose personal and environmental characteristics present no barrier, or whose circumstances and drive lead them to handle the barriers. The mobile workers then are the younger workers, who have few community ties, do not own property and who either know about job openings in other areas or whose personalities are such that they are willing to take a chance that they will find a job.

Although those with a higher education may be more likely to move, this depends on the development of local employment opportunities. The provision of basic education and vocational training to other workers may be the basis on which they are enabled to qualify for limited local opportunities and thereby remain in the local area.

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[6] Gegan and Thompson, "Worker Mobility in a Labor Surplus Area," Monthly Labor Review, (December 1957) p. 1454-1456.

[7] Saben, "Geographic Mobility and Employment Status, March 1962 - March 1963," Monthly Labor Review (August 1964) p. 973.

[8] McKechnie, Ibid., p. 136.

C. The Reasons for Mobility

Workers will move for many reasons; however, the most frequently mentioned reason is economic opportunity. Many workers move to net economic advantage and arrange to obtain suitable employment before they move. However, there are also many workers who are pushed out of their areas by economic necessity other than being pulled out by economic opportunity.

In depressed areas, the spur that unemployment provides cannot be ignored. Gegan and Thompson found that the barrier of age was lowered somewhat by unemployment.[9] Unemployed workers are more likely to leave their community than are the employed. However, the length of unemployment has serious effects on the workers' decisions to move. Workers who have been unemployed for very long periods of time, may feel there are no jobs available anywhere and prefer to remain among friends and relatives rather than leave and attempt to find new employment.

D. Retraining and Mobility

A number of significant questions arise in the relationship between retraining and mobility as they affect regional economic development. Does the retraining of a worker encourage his geographic mobility or discourage it? Is relocation a substitute for retraining or a complement to it? What are the benefits and costs of retraining and mobility for different groups of workers, occupations and areas?

There is some evidence that retraining and mobility are substitutes for each other in the preference scale of many workers; and yet it is found that retraining and relocation often complement each other, resulting in increased earnings for those who engage in both. Our surveys of retraining and geographic mobility in West Virginia, Northern Michigan and Northern Wisconsin are hampered by limitations of sample size; but some rough, tentative patterns seem to be emerging.[10]

For many workers in a depressed area, out-migration is often seen as a substitute for retraining. Frequently, retraining is taken only as a last desperate resort by workers who are determined to find employment in their home area, and mobility is a last desperate resort for trainees who cannot find local work. Since training is frequently viewed by the worker as a means to local employment it is found that training does not necessarily encourage mobility.

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[9] Gegan and Thompson, _op_. _cit_., p. 1453.

[10] The analyses are currently being conducted at the University of Wisconsin. The West Virginia phase is reported by Graeme McKechnie in his Ph.D. dissertation, _op_. _cit_. The surveys in Michigan and Wisconsin are scheduled for completion by the fall of 1967.

In all age and education categories of the trainees, continued difficulties in the labor market after their training were associated with their eventual out-migration. On average, those who later moved had lower earnings prior to their move than those who stayed. In fact, contrary to the general advantage in the earnings of trainees over nontrainees in the West Virginia surveys, those trainees who eventually migrated had lower earnings before they moved than the nontrainees. This was especially true for the older and less-educated trainees, but the finding occurs in all age-education categories.

The fact that the move was a rational one (in gross financial terms) is seen in the improvement in earnings of the mobile trainees after their move relative to the earnings of non-mobile West Virginia trainees. Between the time of their geographic move and the summer of 1964 (our final follow-up survey), the mobile trainees gained substantially in earnings relative to the non-mobile nontrainees, even though the latter group had higher earnings before the mobility occurred. Thus, mobility may be an act of desperation, stemming from unemployment and low income; but once forced to move, workers find that their retraining serves them well in the new area.

E. Relocation Policies at Home and Abroad

U. S. Experience

The causes and consequences of mobility have recently become more critical questions for the United States. As a result of the 1963 Amendments to the MDTA, the Department of Labor conducted 16 pilot projects in 1965 providing relocation assistance to unemployed workers who have limited labor-market prospects in their own area. In all, only 1,200 workers and their families were helped to move, but the number of projects is being expanded this year, and there are efforts to incorporate a regular program of relocation allowances in manpower measures currently before Congress.

In appraising the experience under the relocation assistance scheme, it should be noted that a very substantial movement out of depressed areas occurs in any case, and most of this movement is "rational" from the standpoints of employment security and earnings. But our West Virginia surveys indicate that there is still much "irrational" mobility among unemployed trainees and nontrainees. By directing workers to areas and firms with more buoyant employment opportunities, the relocation scheme might make a major contribution. Inducing improvements in the direction of migration may be more important than inducing increase in the amount of migration.

The demonstration relocation projects have not yet spawned sufficient data to permit a thorough follow-up evaluation. Qualitative appraisals[11] confirm some of the accepted doctrine on geographic mobility and offer a few surprises. Although financial aid for travel and moving has induced some movement that would not have occurred otherwise, it was often not the most important factor. It was found that an opportunity for the worker to appraise the job environment and for his wife to appraise the community evnironment might be more crucial to successful transfer. Counselling and other assistance provided in the new locale, for adjustment of the worker to his new job and for adjustment of his family to the new community were also found to be important.

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[11] 1966 Report of the Secretary of Labor, pp. 45-50.

Most important of all, however, is the attractiveness and the security of the new job relative to prospects in the worker's home area. Similar conclusions have been reached in appraisals of relocation provisions under private industrial or union-management auspices, especially those studies conducted in connection with the Armour Automation Committee.

The labor-market influences on relocation raise the most serious questions concerning the allowance system; and render benefit-cost analyses desirable in periods of changing regional and national employment conditions. Most of the initial 1200 relocatees in the demonstration projects were young (40 per cent under 25) and many, if not most of them, probably could be expected to move from a depressed area to an expanding area in any case--with or without assistance. Even many older workers may feel forced to move under such circumstances. In South Bend at a time of very high unemployment following the Studebaker shutdown, approximately 150 workers out of almost 3,000 over 50 years of age who had been laid off, migrated to other areas. This was prior to the inception of the scheme of government assistance. By the time the relocation demonstration project started in 1965, employment conditions in South Bend had greatly improved, and of the remaining older workers, clearly less mobile, only 2 of the over 700 considered to be eligible were relocated under the project.

Similar problems of inducing relocation have occurred in other areas as a result of the pick-up in national and local employment in 1965. In two of the projects, over 50 per cent of the relocatees returned home, partly because of improvement in employment conditions. This compares with an average of 20 per cent who returned in other projects, the same percentage as in European experience. Under these circumstances, when other relevant variables are changing at the same time as retraining and relocation allowances are being provided, it is difficult to evaluate the impact of the relocation investment on the quantity of movement, its rationality, or its economic return.

Experience Abroad

Schemes of relocation assistance have existed in a number of European countries for some time. In Sweden they have been accorded a very central role in regional policy, and in all of the countries studied, most of the assistance goes to workers in depressed areas.

A recent survey of the relocation programs in 10 Western European countries indicates many similarites with the more limited American experience. There are also significant differences stemming from cultural and environmental factors. The major conclusions are as follows:

1. Lack of adequate housing is probably the main reasons why more European workers have not utilized relocation assistance. Employment opportunities are usually in the areas with the most acute housing problems.
2. Reluctance to leave the home area seems to be a deterrent to mobility in most countries. However, this reluctance is limited to older workers with stronger family ties and attachments to the home area. Also, variations in cultural and religious patterns between regions may inhibit mobility, i.e., Flemish and Walloon regions in Belgium. Reluctance to move has also been noted in connection with the French coal miners in the Centre-Midi coal fields.
3. Lack of knowledge of the availability of relocation assistance also has kept down the number of workers who might otherwise utilize relocation assistance. In Sweden, where information pertaining to relocation assistance is publicized by all employment offices, workers become familiar with the benefits. In other countries, no particular publicity is given to the availability of the assistance.
4. In some countries--Canada and West Germany--the use of a means test has served to reduce the number of potential applicants. Also, the amount of the allowances involved have not been sufficiently attractive to induce some workers to leave the home area. When allowances have been increased, as has been the case in Great Britain and Sweden, there has been an increase in the number of applicants for relocation assistance.
5. In several countries, distance is no problem. Problem areas are only a short distance from areas where employment is available. Many workers are able to live in their home area while commuting to work.
6. The rate of return to the home area after receiving relocation assistance seems to average around 20 percent for the countries examined in detail. Also, there is considerable movement from job to job in the new area. A recent study of Swedish workers who had received relocation assistance indicated that less than 40 percent were still in their original jobs by the end of a year.[12]

Three Questions

Three basic questions remain to be asked in relating relocation policies to retraining and other regional development policies. From the standpoint of the receiving area, at what point should you begin or stop the induced inmigration of workers from rural areas while thousands of hard-core, disadvantaged workers may remain unemployed amid the crowded city's affluence? The project designed to move workers, some trained and some untrained, from the economically lagging areas of northern Wisconsin and norther Michigan into Milwaukee is a case in point. When as in this case, the migrants are almost all white and the local unemployed are almost all Negro, how should this fact affect the decision of the policy-makers?

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[12] Programs for Relocating Workers Used by Governments of Selected Countries, Joint Economic Committee, Congress of U. S. (Washington: 1966), pp. 75-6.

From the standpoint of the supply area, when is full fledged vocational training necessary or desirable for potential migrants to areas of tight labor demand? Persons connected with one southern retraining-relocation project were convinced that only literacy training and some counselling would have alone sufficed for job placement after relocation to cities of low unemployment.

The third and most basic question for regional development policy is "Can relocation assistance further the growth of the area from which workers migrate?" It is easy to find reasons which lead to a negative answer. It has already been noted that the younger and more highly educated workers are the most likely to leave a depressed area, leaving a residue of less-qualified workers. Such areas are already suffering a loss of population, without the additional stimulus of government-subsidized out-migration. These factors can hardly be construed as attractions to new industry or as contributors to regional growth.

And yet the migrants, themselves, may gain substantial economic benefits because of their move. Moreover, as indicated in the introductory section, such mobility may be clearly in the national interest, in bringing about a more efficient allocation of labor, in reducing pockets of unemployment, and in relieving inflationary pressures of shortage occupations.

Thus, in some views, the question of relocation assistance separates the interests of depressed regions from those of the inhabitants of those regions and from the national interest. It raises a key issue that has long troubled policy-makers in the field of regional development: Are we primarily interested in furthering the welfare of the inhabitants of depressed regions (even through out-migration) or are we interested only in furthering the growth of the region? This is a question to which we return in the concluding section.

Even if it is felt that regional growth must be the major consideration of regional policies, relocation assistance need not be spurned. Much depends on the specific provisions of the relocation program. If the relocation assistance is reserved primarily for the hard-core disadvantaged in depressed areas, their out-migration might serve to remove a "drag" on the local economy and a drain on local welfare provisions. If the program can also be used to bring key, skilled workers into a developing region to man new factories, it could prove to be a great boon to such regions. And if the program could be used to encourage return migration when new opportunities open up in a formerly depressed region, it could again serve to bolster regional growth. It is known that at least 20 per cent of the relocatees from depressed areas return in any case, and they often bring back new skills and new manufacturing experience which could not have been acquired if they had remained continuously in the depressed area. In this way, relocation may further regional growth as well as human welfare.

IV. CONCLUSION: POLICY AND RESEARCH IMPLICATIONS

The new government retraining programs for the unemployed have now been accepted, largely on faith, as an integral part of our economic way of life. Much of their impact is concentrated in areas of lagging economic growth. Fortunately, the few detailed evaluations made of these programs indicate that they are effective in improving the economic status of the trainees and have a high rate of private return. But much more extensive and sophisticated benefit-cost analyses will be required to determine whether the new programs are significant as a factor in reducing regional or national unemployment and poverty; and to determine whether they are making a significant contribution to the easing of skill shortages or to the reduction of inflationary pressures.

We can say even less about the economic benefits and costs of relocation allowances as a policy for regional economic development. Presumably they aid the individual, but the extent of their usefulness in furthering regional development still remains to be established.

An even more critical need of sophisticated economic analysis arises when we are forced to make choices between these manpower policies, and between manpower policies and investments in physical capital. The coordination of policies within the regional development field has its counterpart need in the coordination of the regional development policies of EDA, with those of the MDTA and the OEO. What is the appropriate jurisdiction between these three closely-related Federal agencies? Presumably, they are all designed to aid disadvantaged people. But, whereas the MDTA aims at aiding those who are disadvantaged because of lack of skill, and the OEO aids those who are disadvantaged because they are from the wrong class, race or neighborhood, it is the unique role of the EDA to assist those who are disadvantaged because they live in an economically depressed region.

This distinction also points to the unique approach of EDA to the problems of human resources. Whereas MDTA and OEO make direct investments in human beings, EDA furthers human welfare by furthering regional economic growth. Investments in factories and infra structure are expected to lead to improvements in employment and earnings; and these advances will in turn lead to greater investments in education, training, health and welfare--stimulating further capital investments, etc.

However, it is the central thesis of this report that investments in physical capital are likely to be abortive unless they are accompanied by substantial investments in human resources--in the education, training, and mobility of the workers who must combine with physical resources to produce regional growth. Indeed, unless these human investments are made, the attraction of physical capital into depressed regions is not likely to be forthcoming.

What, then, are the principal implications for regional policy?: The close coordination--at the federal, regional, state and local levels--of the area-development policies of EDA with the manpower and welfare policies of MDTA and the Employment Service, with the anti-poverty programs of OEO, and with the education and health policies of HEW. Although many instances of such cooperation can be found, failures of cooperation are also evident. Every effort should be made to bring about the required administrative arrangements for such a coordinated attach on the physical and human problems of regional growth.

What are the implications for research?: Extended economic and social analysis of the costs and benefits of various investments in the human and physical components of regional growth--so as to further intelligent choice between them and to further intelligent coordination among them. To what extent does a new industrial plant in a depressed rural area really reduce local unemployment? To what extent does retraining provide a work force for local industry rather than migrants for distant, already-expanding industry? To what extent can relocation programs be made to serve the goals of regional growth rather than detract from them?

Rigorous, well-designed research analyses are needed to answer these fundamental questions in the field of regional policy. Research findings in answer to each of the questions would be of great value. But the greatest advance in regional economic development will come in finding and combining the answers to all three questions, as the research prerequisite to an integrated regional policy.

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*Suval, Elizabeth M. and C. H. Hamilton. "Some New Evidence on Educational Selectivity in Migration to and from the South ..." Social Forces. Vol. 43. May 1965. Pp. 536-47.

Thomas, Dorothy S. "Age and Economic Differentials in Interstate Migration." Population Index. 1958. Pp. 313-324.

Thomas, Dorothy S. "Age and Economic Differentials in Internal Migration in the United States: Structure and Distance." Proceedings, International Population Conference. Vienna, 1959. Pp. 714-721.

D. Retraining and Mobility

Adams, Leonard P. and Robert L. Aronson. Workers and Industrial Change--A Case Study of Labor Mobility. Cornell University Press, 1957.

North Carolina Fund. Mobility Project, First Phase, 1965-66. Report in process. October 1966.

*U. S. Congress, Joint Economic Committee, Economic Policies and Practices, Paper No. 8. Programs for Relocation Workers Used by Governments of Selected Countries. Washington: Government Printing Office, 1966.

U. S. Department of Labor, Office of Manpower Automation and Training. "Graduates of the Norfolk Project One Year Later." Manpower Evaluation Report. No. 5. October 1965.

*Virginia Employment Commission. Final Report: Virginia Labor Mobility Pilot Project. Research, Statistics and Information Division, Richmond, January 3, 1966.

E. Relocation Policies and Experiences

*Klaassen, Leo H. Area Economic and Social Redevelopment: Guidelines for Programmes. Organization for Economic Cooperation and Development. Manpower and Social Affairs Directorate. Social Affairs Division, 1965.

Maddox, James G. "Private and Social Costs of the Movement of People Out of Agriculture." American Economics Association Papers and Proceedings. May 1960. Pp. 392-402.

Mangiamele, Joseph F. "A Positive Approach to Population Distribution: ..." Land Economics. February, 1966. Pp. 117-24.

Programs for Relocating Workers Used by Governments of Selected Countries. Joint Economic Committee. Congress of U. S. Washington: 1966. Pp. 75-6.

ABSTRACTS*

Adams, Russell B., "Population Mobility in the Upper Midwest," Upper Midwest Economic Study, Urban Report Number 6, May, 1964.

The purpose of all studies in this series has been to provide interested persons and groups within the designated region (Montana, North and South Dakota, Minnesota, Northwestern Wisconsin, and the upper peninsula of Michigan) with information about their location and potential both within the national and regional picture. The data and charts are well integrated into this useful monograph.

On balance the Upper Midwest is a population exporter, an expected phenomenon since it is less urbanized than the rest of the country. Rates of mobility are as expected with the highest rates found among the young, unmarried, and low-income people. Of interest to all students of regional movement is the comparison set forth in the first chapter between the national and regional settings in which net migration among regions is tabulated between 1910 and 1960, and the drawing power of a region, as well as areas within the upper Midwest, is established.

The second chapter documents movements of population to and from the Upper Midwest from and to other regions of the U. S., as well as movements within the region itself. No breakdowns are given in this report of the characteristics of the migrants.

Aller, Curtis C., "The Role of Government-Sponsored Training and Retraining Programs," Unemployment in a Prosperous Economy, ed. William G. Bowen and Frederick H. Harbison. (Princeton Manpower Symposium, May, 1965) pp. 126-141.

Examines possible roles for retraining programs. With regard to the possibility that it enables us to move closer to full employment without inflation, the Swedish example of sustained full employment is noted. Efficiency is an important criterion only at full employment. While it is an appropriate objective for manpower planning, the efficiency value of retraining programs can be measured only at full employment.

The salvaging of many disadvantaged workers through MDTA programs is being achieved and the benefits and returns apparently outweigh the costs. However, real measures have been distorted by the failure of evaluators to establish control groups of comparable non-trainees. Part of the problem lies in the fact that the Employment Service which handles trainee registration is geared for results and thus selects only the most likely candidates. One of the implications of this paper is that the role of the employment service needs re-evaluation and that Vocational Rehabilitation needs to be greatly expanded.

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*The abstracts are listed alphabetically by author. The publications are classified by subject in the preceding biographical section.

Adams and Aronson, Workers and Industrial Change - A Case Study of Labor Mobility, Cornell University Press, 1957.

A study of the adjustment of the Auburn, New York labor market on the demand and supply side at the closing of the plants of the largest employer. Insight into the way a community with a distressed labor picture copes with such a situation is provided. How workers found new jobs, how many remained unemployed and for how long, and what agencies were helpful in aiding the final solution.

Characteristics of the Auburn labor force are outlined such as age, sex and ethnic composition, as well as growth of the force, home ownership and participation rates. On the demand side, the effect of the Harvester Company and employers is discussed.

The attitudes of ex-Harvester workers when compared to a control group showed that the former group had greater desire to change from their present job, and that most were willing to move out of the city to do so. The reason for the desire of Harvester workers can be traced to the drop in income suffered by them when these plants closed.

Batchelder, Alan B., "Occupational and Geographic Mobility: Two Ohio Area Case Studies," Industrial and Labor Relations Review, July 1965, pp. 570-583.

This study was commenced in 1961 in order to study the attitudes of long-term unemployed males toward geographic and occupational mobility and their aptitudes for retraining. The Youngstown, Ohio SMSA and Athens County, Ohio, were the two areas studied. Data from interviews with 203 of 4000 Youngstown men and 91 of 120 Athens area men who qualified for extended unemployment benefits throughout the 13 week extension (for a total unemployment of 39 weeks) provided by the Temporary Extended Unemployment Compensation Act of 1961 were used for this study.

From 65 to 70 percent of the men in each of the two areas indicated some degree of willingness to undertake retraining. Using General Aptitude Test Battery (GATB) scores for 104 Youngstown and 23 Athens men and generalizing to the population, 42% of the Youngstown men unemployed 27 - 39 weeks (a larger population than the one sampled) were judged capable of under-taking retraining; 16 of the 23 Athens men were capable, and 14 of these also were willing; while 57 of the 104 Youngstown men were both willing and able to retrain. Eligibility standards used were those established by the BES based upon the GATB scores, given by occupation.

Batchelder suggests that an effective training program should include counseling and different efforts for groups of varying racial, age, or educational composition. He also proposes a 2-stage training program which would first train men for semi-skilled jobs, with training for advancement being conducted while the men held these jobs.

Only 20 to 50 percent of the men in each of the areas were willing to move if they were certain to have steady work after moving. (Reasons why these figures might be below the national average are given on pages 581-582).

Lack of knowledge of alternatives was found to be a hindrance to both retraining and relocation efforts.

Batchelder cautions against making a sharp distinction between structural and deficient demand unemployment for policy purposes, for this study and others pertaining to private retraining programs indicate that, given sufficient aggregate demand, employers will offer training to meet their employment requirements.

Beegle, Allan, Douglas Marshall, and Rodger Rice, Selected Factors Related to County Migration Patterns in the North Central States, 1940 - 1950 - 1960. (East Lansing: Michigan State University, Agricultural Experiment Station) available as a reprint from the Quarterly Bulletin. Vol. 46, No. 2, November, 1963.

A study of population redistribution in the North Central States, 1940 - 1960. Net migration is shown to be related to farm operator family level of living and employment in manufacturing. Three patterns characterize a large proportion of all counties in the North Central States for both decades: (1) Out-migration, low level of living and low proportion in manufacturing; (2) Out-migration, high level of living, and low proportion in manufacturing; and (3) In-migration, high level of living and high proportion in manufacturing. (Abstract, P. 5).

Berry, Charles H., Occupational Migration from Agriculture (unpublished Ph.D., University of Chicago, 1960).

While migration rates must be studied in detail, they must be considered in light of natural increase. In most rural areas, the replacement rate is quite high. In several southern states the number of young persons entering the agricultural labor force was more than double the number required to replace those retiring. Thus the movement of 465,000 people from agriculture in Alabama reduced the agricultural work force by only 127,000 as 338,000 new workers entered.

The two most important factors producing out-migration from farms are age and income. By far the former variable was most important. It was also found that older migrants reacted to different incentives. Strong indications are given that migrants are "pushed" off the farm, rather than "pulled" by nearby economic opportunities such as industry. This conclusion was made on the basis of comparing the mix of the work force. Migration was not related to the percent non-agricultural employment in a community.

Donald J. Bogue, A Methodological Study of Migration and Labor Mobility in Michigan and Ohio in 1947. Oxford, Ohio: Scripps Foundation, Miami University, 1952.

In this volume the author reports on his pioneering mobility study using Old-Age and Survivors Insurance data. The data and methodology are described.

During 1947 Michigan and Ohio experienced a net in-migration of OASI-covered workers, with the greatest net gain being that of workers from the South. Negro workers were found to be more mobile geographically than non-Negroes (15 and 13 per hundred, respectively), with males significantly more mobile than females for both racial groups. Geographic mobility was found to be most common among workers less than 30 years of age, for males the years of greatest geographic mobility were 20 - 24, whereas the late teens were the ages of greatest mobility for females. Geographic mobility decreased with increasing age for both the sexes. Large industrial differentials in the rates of geographic mobility were observed, with workers in contract construction being the most mobile, followed closely by "government and unclassified"; mobility rates for other industries ranged from one-fourth to one-half the rates for these industries. Rates of out-migration significantly different from the average rate were observed for 11 of 20 areas in the two states when all workers were considered. For males alone, the proportion drops to 6 of 20, and to 4 of 20 for females. Bogue states that "probably no single factor operated to produce" the inter-area differentials, that they were instead caused by a combination of factors including "the industrial composition, the occupational structure, the level of earnings, the regularity of employment, and the race, sex, and age structure of the area..."

The concluding chapter presents and discusses several labor mobility hypotheses.

Bowman, M. J. and W. W. Haynes, Resources and People in East Kentucky: Problems and Potentials of a Lagging Economy. (Baltimore: The Johns Hopkins Press, Resources for the Future, 1963.)

Two chapters of this thorough study of the problems of East Kentucky are particularly related to the study of education and mobility. Chapter 10 explores the extent of migration from this region. While starting in the 1920's, tapering off in the 1930's, the decade of 1950 - 1960 saw the heaviest net out-migration from East Kentucky with the result that several communities had in 1960 only 55 to 60 percent of the population they would have had if there had been no net out-migration.

As background to their study the authors refer to the study of subregional net migration between metropolitan and non-metropolitan areas by Bogue, Shryock, and Hoermann. Out-migration was high in areas of high agricultural employment as well as in areas with high levels of education attainment. The only push factor associated with migration in Kentucky from 1940 to 1950 was income ($r^2 = .50$), although even this variable is not a clear factor for eastern Kentucky. The role of unemployment in contributing to migration is clouded by the role of disguised unemployment in the agricultural sectors and the role of back-flows during national recessions of the late 1950's. In other words factors pulling people from East Kentucky are at least equal to those pushing them from this region.

A discussion of education is presented in Chapter 11. The proportion of white collar and service workers in East Kentucky is significantly smaller than the national average for areas of comparable size. In comparing illiteracy of the past with functional illiteracy of contemporary demands the authors claim that Kentucky has retrogressed. An age cohort analysis of adult educational attainment is provided for the state of Kentucky since regional breakdowns on data were not available. In general it is noted that the state appears apathetic to the educational needs of its citizens. Those few who obtain enough education apparently leave the state. The low attainment of other migrants has meant that Kentucky has been exporting much of its educational and employment problems.

Brazziel, William F., "Effects of General Education in Manpower Programs" in Journal of Human Resources, Vol. I No. 1, Summer 1966, pp. 39-44.

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This paper describes the methods and findings in a study designed to ascertain the effects of general education in the post-training performances of two groups of graduates of the Norfolk training program. The experiment was carried out on a group of 90 trainees. Of the 90 trainees, 45 in group A received general improvement in reading, language arts, arithmetic and human relations, along with one hour directed study per day. Group A enrollees spent half day in this program and the rest of the time in the (five) vocational courses with men in group B who had spent one hour per day in supervised (but not guided) study.

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Two control groups were also observed over the same period. Group C received no instruction, while group D was used to test for the possibility of a subject's responding solely to the extra attention he is receiving.

Data rating instruction, rates of employment, average salary, occupational mobility, job satisfaction, methods of securing employment, and trainee evaluation of general education experiences.

Post-training tests and follow-up demonstrated significant differences in attainment of group A. Ninety-five percent of A's as opposed to 74 percent of B's had employment at the year end follow-up. Group A tended to seek and obtain advancement more readily than the other groups.

Both earnings and general employment records following training were better in a group A than B and the control groups. Tables of experiment data accompany the text.

Bunting, Robert L., Ashby, Lowell D., and Prosper, Peter A. Jr.,"Labor Mobility in Three Southern States." Industrial and Labor Relations Review, April 1961, pp. 432-445.

Bureau of Old-Age and Survivors Insurance data were used to study labor mobility (defined only as employer change) in North Carolina, South Carolina, and Georgia in 1953. Results are compared with Bogue's study of mobility in Michigan and Ohio in 1947.

The authors' findings are, in general, consistent with Bogue's, despite the different time periods and geographic areas studied. For example, "the findings of Bogue and others that Negroes tend to be more mobile than non-Negroes, that males tend to be more mobile than females, and that 'young' workers tend to be more mobile than 'old' workers" (p. 435) were corroborated.

The three-state area was found to be a supplier of labor for all other parts of the country--i.e., out-migrants outnumbered in-migrants. The area's labor force losses through out-migration were heaviest among Negroes--twice as great as among non-Negroes--and the out-migrants were heavily weighted with younger workers. The loss of females was less than the loss of males in all age-sex groups. Most of the three-state area's out-migrants went to three regions: the South Atlantic, the Middle Atlantic, and the East North Central.

As the distance moved increased, the relative number of young workers among the migrants increased for all Negroes and for non-Negro females. The reverse situation obtained among non-Negro males, however. Also as distance moved increased, relatively more males than females were among the migrants.

The above findings as well as some more complex ones were derived from tests of the following hypotheses:

(1) The young are more mobile than the old.
(2) Males are more mobile than females.
(3) Negroes are more mobile than non-Negroes.
(4) As distance moved increases
    (a) the ratio of young workers to old workers increases
    (b) the ratio of males to females increases
    (c) the ratio of Negro males to non-Negro males increases, while
    (d) the ratio of Negro females to non-Negro females does not increase.

Bussey, Ellen M., "Assistance to Labor Surplus Areas in Europe." Monthly Labor Review, June 1960, pp. 569-576.

Long-term development of large regions and aid to smaller, widely scattered areas are the two broad categories of aid to depressed areas. Such aid is always tied in with national economic planning.

Historic poverty due to climate, locational factors, resources, etc., as well as declining industries are the basic reasons for the existence of poverty. Technological unemployment and unemployment due to plant relocation are generally insignificant.

Mobility of labor out of depressed areas is one approach used, although the more common method is to attract new industry to such areas through various incentive programs. Sweden is an exception, emphasizing migration of labor over moving industry to the worker.

Vocational training is offered by all governments having regional assistance programs, but usually as a separate program. Emphasis is upon youthful unemployed. Some countries specify that a given number of local unemployed must be hired by new industry locating in depressed areas.

Some countries have a few broad statutes encompassing the many programs undertaken in a redevelopment project, whereas others use several laws with each pertaining only to specific areas or programs. A few countries have developed programs without legislation.

Numerous approaches to designation of depressed areas have developed, and a single country may use several simultaneously. In general, the selection criteria are kept flexible.

More details of the programs of Great Britain, Belgium Germany, and Sweden are given in the article.

Committee for Economic Development, Community Economic Development Efforts. (New York: Frederick A. Praeger, 1964.) Following three citations from this volume.

Crisafullie, V. C., "Economic Development Efforts in the Utica-Rome, New York Areas," CED pp. 107-176.

The decline of textile manufacturing in the Utica - Rome, New York area brought about the unemployment of textile workers. The development of plants of several manufacturers brought about a need for workers trained in a different area. Of 1469 displaced workers surveyed, 39 percent were 55 or older, most wanted training for the new jobs.

The employment service analyzed jobs to be filled while community leaders obtained commitments from expanding industries that they would hire workers retrained by the employment service. Of 4400 workers needed by April 1953, 2700 would require pre-employment training. The training program proved highly successful in meeting local employer needs and upgrading the skills of 1,000 workers. However, few older workers were accepted into retraining. Instead these workers took over the jobs vacated by the younger workers who had been upgraded.

Kaufman, Jacob J. and Halsey R. Jones, Jr., "Chronic Unemployment in Altoona, Pennsylvania."

The purpose of the study is to explain the long-run decline in the economic condition of the City of Altoona and to describe the community's response. Railroad yards have been major employers in Altoona. The decline of railroading in the post-war period brought a response by the people of Altoona through retraining and migration, as well as an effort to attract new industry.

Migration was found to be less than would have been expected because of the high degree of home ownership in Altoona. Workers in railroad shops are also accustomed to prolonged periods of unemployment and thus tend to wait for recall. The railroad is considered to be a good employer and Railroad Retirement Board benefits which are higher than social security payments contribute to a lower rate of out-migration. Finally there are no real proximate employment alternatives for Altoona is in Appalachia.

Out-migration has been selective in that it has primarily affected the proportion of youth in the work force.

Data gathered from Altoona Vocational High School indicates that out-migration of graduates ranged from 16 percent in 1951 to 40 percent in 1954 and 1955. The writers conclude that the heavy stream of out-migration among the youth of Altoona will have serious future repercussions when skilled workers of this age group are needed.

(One section of a collection of studies done by the Committee for Economic Development in areas selected for the diversity of their problems.)

Nixon, John H., "Community Adjustment: The Lessons of Experience,"

This article serves as a summary of the five cases studied in the volume Community Economic Development Efforts: Five Case Studies. The policy recommendation for retraining is that a community initiate retraining prior to the opening of a new plant. Citing the cases of Utica, New York and Evansville, Indiana, where cooperation was obtained from company, school officials, and the employment service the conclusion implied is that by training the most able, the less able and older displaced workers will be able to fill in on jobs vacated by the "able" workers. In each area studied, out-migration resulted from the choices of individuals as to where their greatest opportunities lay.

William G. Dyer and Marilyn Affleck, "Labor Mobility and Industrialization in a Utah County." Social Forces, March 1958, 214-17.

World War II defense needs caused a steel plant to be built in a non-industrial county of Utah, the labor needs of which exceeded the county's supply of manpower. This is a study of the mobility patterns of those workers recruited for work at the plant up to April 1955. By complex mobility, a majority of the workers came from the county where the plant was located, with most other workers coming from other parts of Utah. Of those not coming from Utah, however, the majority came from non-contiguous states. While only 10% of the immigrant workers were older than 45 years, age increased with distance of migration, contrary to the findings of other studies.

Employment Service, U. S., Projects in the Report Stage: Summary and Evaluation of Labor Mobility Demonstration Projects under the Manpower Development and Training Act. (U.S.E.S.,Washington, 1966)

This report is to be issued about October 1, 1966 by the United States Employment Service and the Office of Manpower Policy Evaluation and Research. Individual reports by state employment services have been made and are available through these agencies. The demonstration projects have consisted of a variety of approaches to several different problems all concerned with moving workers to jobs. The report will show that the average participant in the program was in his 30's (approximate median = 34) and that his relocation cost about $600. The rate of return is not related to age or education but to the period of unemployment before the relocation. The longer the prior unemployment period, the less successful the relocation.

Included in the report will be suggested future policy which includes a projected expenditure of $100 million by 1970 to continually relocate 185,000 workers per year. The suggestion is also made that supportive services such as the Traveller's Aid, the National Council of Churches, and Catholic Welfare be enlisted in the relocation program to help settle relocatees.

Friedlander, Stanley L., Ph.D., Labor Migration and Economic Growth: A Case Study of Puerto Rico (Cambridge, Massachusetts: The M.I.T. Press, 1965) 181 pp.

While the basis of Friedlander's dissertation is the extensive migration of Puerto Ricans to the United States after the second world war, it provides some useful insights of the economic reasons of geographic mobility, as well as the effects of mobility on a depressed economy.

The Puerto Rican emigration was selective in that most of the emigrants were poorly educated, young agricultural workers. In this sense, Puerto Rico did export some of its unemployment problems to the U. S. Friedlander provides projections on the level of unemployment which would have occurred if the emigration had not taken place and the workers had moved to the cities of the island. The conclusion to be drawn from the effects of emigration on the Puerto Rican labor force are that the number of jobs available could not have taken care of projected population growth during the two decades since the start of the migration and that massive unemployment would exist in Puerto Rico but for the movement of a large part of the population to other regions.

Ford, Thomas, ed. The Southern Appalachian Region: A Survey. University of Kentucky Press, 1965.

Chapter 3: "Population Growth and Characteristics" by John C. Belcher. Reviews the settlement of Appalachia in order to emphasize the general lagging behind of this region in developing its potential. Useful charts indicate distribution of population both geographically and by certain characteristics.

Chapter 4: "The Great Migration, 1940 - 1960," by James S. Brown and George A. Hillery, Jr. An attempt to answer several related questions on the net migration of one million persons from the Southern Appalachias between 1950 - 1960. The region is broken up into subareas and studied on this basis. Charts and tables illustrate the textual discussion; the characteristics of migrants are discussed.

Chapter 12: "The Needs of Education" by Orien B. Graff. The general lagging behind of education in this region is illustrated with substantial data on expenditures for schooling and median family income, contrasting these figures with the rest of the U. S.

Gallaway, Lowell E., "Labor Mobility, Resource Allocation, and Structural Unemployment." American Economic Review, September 1963, pp. 694-716.

"Failure of the labor market to adjust the general price of labor relative to other factor prices so as to clear the market ... or ... an inability on the part of the labor market to allocate resources on an intrafactor basis..." (page 694) could cause the labor market to fail as a resource allocator. Which of these causes is responsible is important to policy formulation.

Labor market imperfections can result in either economic barriers to mobility or non-economic barriers and non-maximizing behavior of workers. Only the non-economic barriers may cause involuntary unemployment, although both will cause wage differentials. Gallaway then discusses (on pages 698-705) how one might test for the existence of economic and non-economic barriers, setting forth four conditions which, if satisfied, indicate efficient allocation of labor, while failure to satisfy any one indicates presence of non-economic barriers.

Using government unemployment estimates and annual personal income figures by region, occupation, and industry, the author tests for the existence of economic and non-economic barriers to mobility as among each of these three types of labor markets during the period 1948 - 1960. He finds the labor markets to be efficient resource allocators as among geographic regions, but not among occupations or among industries. Moreover, a further test leads the author to conclude for all three sectoral classifications that the rising unemployment levels over 1948 - 1960 were due to insufficient aggregate demand, not to structural imbalances.

The apparent inter-regional efficiency of the labor market may be produced by lower rates of migration into depressed areas rather than greater rates of out-migration. Gallaway's findings support the notion that unions cause unionized sectors to gain at the expense of the non-unionized sectors. Also, he concludes that the structural unemployment argument is not valid for the period examined. He cautions, however, that in view of the second conclusion (regarding: unions), policies to increase aggregate demand may fail, resulting in cost-push inflation.

Gallaway, Lowell E., "Proposals for Federal Aid to Depressed Areas: A Critique," Industrial and Labor Relations Review, April 1961, pp. 363-378.

Various types of federal aid programs of possible relevance to the problem of depressed areas are assessed in this article. Using BES unemployment data for 1948 - 1957 the author found 18 of the 145 major labor market areas to be depressed. The 45 non-depressed areas most nearly resembling the 17 most homogeneous depressed areas in terms of geographic location, population range, and industrial mix were selected for purposes of comparison.

Two basic programs are available to depressed areas: (1) Workers can be moved to existing jobs either within or outside the area, or (2) jobs can be brought to the workers (industrial development). For several political, social, and economic reasons the second choice has generally been the more attractive of the two, but even it has met with slight success when tried. Gallaway attributes the general failure of attempted industrial development to four basic obstacles: "(1) the stigma of the depressed area label, (2) lack of attractive industrial and public facilities, (3) financing difficulties... encountered...to obtain these facilities, and (4) severe competition between areas for industry" (p. 366) these are discussed separately (see pp. 366-372).

The first alternative, moving workers out of the depressed areas, also has many problems. To adopt a policy of encouraging out-migration would be too "defeatist" to gain wide community acceptance. Also, successful relocation would likely involve retraining, subsistence allowances and other aids, as well as administrative costs of the program, thus pricing such efforts beyond the capability of the communities. But economic theory would predict substantial voluntary out-migration from depressed areas. In fact, such migration in 1949 was actually greater in non-depressed than in depressed areas. This mobility pattern is accounted for in part by: (1) workers' lack of labor market knowledge, (2) lack of job opportunities, (3) workers' attachments to their home areas, and (4) age barriers produced by the frequent predominance of older workers in depressed areas.

The author's study led him to conclude that federal aid should address itself to all facets of the depressed areas problem--worker migration as well as industrial and public facilities development.

Gallaway, Lowell E., "An Economic Analysis of Public Policy for the Depressed Areas." July 1962, pp. 500-509. Industrial and Labor Relations Review.

"The ultimate justification of a federal aid program for areas of chronic distress must lie in some conviction that unemployment in these areas (1) truly constitutes a national problem and (2) produced inequities which cannot be adequately adjudicated through the operation of the market system." (p. 500) The author assumes that the first criterion is met, and in an earlier article ("Proposals for Federal Aid to Depressed Industrial Areas: A Critique," Industrial and Labor Relations Review, April 1961, pp. 363-378. Abstracted separately.) discusses the second. In the present article he discusses "the validity of the assumption that inequities exist" to supplement his earlier work.

An economic inequity is assumed to exist if (1) the causes of area unemployment are extralocal, and (2) if benefits accrue to nondepressed areas as a result of unemployment in the depressed areas.

Gallaway suggests, from economic theory, two possible causes of area unemployment: first, depressed areas may have productivity schedules which give lower values of marginal value productivity than exist in the rest of the economy at comparable employment levels. Second, money wage levels may be higher in depressed areas than in the rest of the economy. He then sets forth a four-step test of these two possibilities which includes adjustments for differences in industrial mix and a test to determine whether depressed and non-depressed area industries might be operating at different points on similar marginal value productivity schedules. If either of the two possible explanations were validated, area unemployment would not be due to extralocal forces; if neither were validated, extralocal forces would likely be responsible for area unemployment.

Using BES unemployment data for 1948 - 1957 Mr. Gallaway selected 18 depressed major labor market areas. Using the 1954 Census of Manufacturers' data on wages, man-hours, and value added, by industry, he was able substantially to match 8 of the 18 found "that the causes of depressed area unemployment are extralocal in character." (p. 507) "Low productivity industries" were found to predominate in the depressed areas, due to historical accident, and the current process of reallocation of resources to more productive uses serves to impose the costs of economic change and progress, beneficial to all, on a few areas of the economy. Since the market system apparently makes inadequate redress for the resulting inequities, federal aid to depressed areas seems to be justified.

Gegan, Vincent F. and Samuel H. Thompson, "Worker Mobility in a Labor Surplus Area." Monthly Labor Review, December 1957, pp.1451-56.

This is the report of a pilot study conducted in Harrison County, West Virginia, of a labor mobility study method developed by BLS which used Bureau of Old-Age and Survivors Insurance and unemployment insurance data. The purpose of the method is to permit studies to be broader in scope than is possible when personal interviews are used and to keep costs down.

The time period covered was from the first quarter of 1953 through the first quarter of 1955. Throughout this period Harrison County was a depressed area, with unemployment ranging as high as double the national average.

During the study period over 18 percent of the county's workers left Harrison County. Forty-two percent of this group went to other areas within West Virginia. Although two-thirds of the migrants were under 45 years of age, it is significant that, among males, the incidence of migration was nearly as great in the group aged 35-44 as among those aged 25-44. Unemployment was twice as common among the migrants as among nonmigrants.

Gibbard, Harold A., "Factors Affecting Retraining in West Virginia", Paper presented at IRRA Spring Meeting, May 4-5, 1964.

Though nearly 10,000 men and women have enrolled in retraining in West Virginia, the level of unemployment has continued above the national average and there has been no sustained gain in total employment. Retraining for local jobs can succeed only if jobs are vacant because the requisite skills are not held by the available workers or if new jobs are being created. The combination of a population ready to move and retraining geared to employment elsewhere has produced favorable results from retraining in some localities. It is lack of information rather than negative attitude that prevents many from entering retraining.

Variations among county participation in retraining seem to be due to local needs and initiative. Presence of local job opportunities seems a strong incentive to undertake retraining. Some counties have an advantage because of existing training facilities in local vocational schools.

Though the chief source of reduction in unemployment has been the shrinkage of the labor force due to migration, a clear picture of the relationship between training and migration is not given.

Gordon, Margaret S., Retraining and Labor Market Adjustment in Western Europe. Washington: U.S.Department of Labor, Office of Manpower, Automation and Training, 1964.

As a comprehensive review of training programs in Western European countries the study relates retraining experience and needs of Belgium, France, West Germany, Italy, the Netherlands, and the United Kingdom, to those of the new U. S. program. The high level of employment in recent years in Western Europe was considered to be the most serious difficulty in contrasting these programs with ones of the U. S. geared to reduce unemployment in depressed areas.

The discussion of the depressed post-war economies of Western Europe (1945 - 1955, pp. 25 - 55) provides some insight into the development of retraining programs and the early problems. The dramatic resurgence of these economies after 1955 is related to the revisions in most training programs in this period. The need to continue retraining even in tight labor markets is shown to develop from the labor needs of employers as well as the desire of workers to improve their positions. The commitment of each country to retraining is illustrated by the constant liberalization of training allowances.

In the end, retraining programs must be tied in with programs to assist a worker's geographical mobility as well. Dr. Gordon relates these two combined programs to the development of the regional economies of Western Europe. The various levels of leadership hierarchy at which training needs are determined varies from country to country. The flexibility of a system depends upon the ultimate level of decision making, local, state or federal. The study indicates by example that where local officials are given rather free reign, programs tend to develop for the local economy (West German). Where national officials are responsible for local decisions, programs are less flexible in meeting immediate needs (France).

There is also a problem of rigidity when vested interest groups (employers and unions) dominate the departmental and national committees determining policy (France).

Another relevant factor is the geographic distribution of training centers. British centers have been located in areas of labor shortage with courses reflecting the local industry structure. In France if room is not available in the closest center, the trainee is sent to another area.

The problems involved in getting workers and jobs together is handled in varying ways by the Western European countries. In Italy northern employers recruit in the south by paying moving costs. The employment service has established centers in northern cities to receive southern job aspirants. Most relocation assistance goes to unemployed workers. However, in Sweden potential unemployed workers are given assistance while German workers whose jobs are temporary or who have been given notice, are eligible.

To receive moving assistance, a worker must have a job in the new area. However, a few countries provide travel expenses to permit a worker to seek a job in another area. Dutch relocation assistance has been more generous for workers moving into the less densely populated western area. Belgium provides assistance to a worker unable to obtain an analogous job in his residence area. Except for Sweden and West Germany relocation assistance has been insignificant although many workers have moved out of depressed areas without aid.

Gordon, R. A., "Has Structural Unemployment Worsened?", Industrial Relations, May 1964, 53-77.

Following his examination of developments in several structural classifications relative to the total labor force situation, Gordon concludes that "the rise in total unemployment ... between the mid-fifties and early sixties ... must reflect primarily the failure of aggregate demand to rise at the rate required ...," since he found that, whether considering "teenagers before 1963, nonwhites, those with the least education, or blue collar workers, in none of these cases has the unemployment rate since 1956 tended to rise relatively faster than the rate for the whole labor force." (page 77) Structural unemployment has worsened, however, for teenagers during 1963 (e.g., from Table 1, page 58, we see that teenage males in 1963 accounted for 13.6% of all unemployment, teenage females, 9.9% up from 11.8% and 8.6%, respectively, in 1962, and for each group the highest figure shown for the period 1948-63. Moreover, the ratio of the unemployment rate in each group to the national unemployment rate rose, from 2.38 to 2.72 for males, and from 2.35 to 2.75 for females, during the period 1962 to 1963), and for white collar workers since 1956. (Table 3, page 62, relates that the ratio of unemployment among white collar workers to the national unemployment rate rose from 0.44 in 1956 to 0.47 and 0.50 in 1959 and 1962, respectively. White collar workers accounted for 17.5%, 19.3% and 21.4% of unemployment in 1956, 1959, and 1962. All subgroups of white collar workers shared in this worsening.) That structural unemployment of white collar workers has worsened while it has not for blue collar workers (the ratio of blue collar unemployment to national unemployment was, referring again to Table 3, 1.33 in 1956, 1.37 in 1959, and 1.32 in 1962) is contrary to popular opinion. Table 8, on page 73 shows, surprisingly, that the unemployment picture has improved for those males with the least education (0-7 years) and worsened somewhat for those with more schooling. The changing relative importance of each group in the labor force may help to explain this, however, with the percentage of the male labor force aged 18 and over represented by those with 0-8 years of schooling declining, while this proportion was increasing for those with 12 or more years of education.

Groom, Phyllis P., "Retraining the Unemployed: IV - The Bridgeport Program." Monthly Labor Review, January, 1962, pp. 24-29.

The successful 1961 Bridgeport, Connecticut Community Action Plan training program aimed at providing preliminary instruction for unemployed workers capable of subsequent on-the-job training is described from inception to job placement of 97 workers in five courses. Trainee characteristics, course planning procedure and training results are presented.

Slightly more than 80 percent of the 89 trainees for whom records were available were under 35 years of age. Only 5 of the trainees had less than 9 years of school. Half had been unemployed 15 weeks or more; a third had been out of work over 26 weeks. Twenty trainees were new labor force entrants, 51 drew unemployment compensation while the remaining 18 could not qualify for payments since Bridgeport was not a redevelopment area under ARA.

Groom, Phyllis P., "Retraining the Unemployed: I - European Government Programs." Monthly Labor Review, August, 1961, pp. 823-828.

An overview of the structure of Western European retraining is given in this article alongside more detailed description of the administration, participants, courses, training allowances and costs of particular training programs in Sweden and France. The 1954 French regional development retraining fund is briefly outlined.

In Britain little vocational retraining has been done by the Government. Primary responsibility for vocational training has rested with the trades and industries concerned.

In Sweden the Royal Board and county labor market boards ascertain immediate training needs from current and estimated future skilled manpower requirements. Long-term manpower assessments are also made by the Royal Board. At the end of training, a committee examines trainees to certify that they have the appropriate skills.

To qualify for training a worker must: (1) be registered for employment, (2) be capable of training, (3) be physically fit to pursue the program.

French programs are organized under control of the Ministry of Labor through a managing board composed of six Ministry officials, six selected by an employers group and six worker members appointed by the most representative trade unions. Trainees are between 17 and 35, physically fit, have aptitude and must be suitable for the course which lasts about 23 weeks, many times as a resident.

Groom, Phyllis P., "Retraining the Unemployed: II - Federal and State Legislation on Retraining." Monthly Labor Review, September, 1961, pp. 939-943.

Vocational education and retraining programs and their legislative groundings are briefly summarized. Statutes considered are the Smith-Hughes Act of 1917, the ARA of 1961 and state legislation of Pennsylvania, West Virginia and Ohio. Structure, participation and costs are mentioned for several examples.

Hamilton, C. Horace, "Educational Selectivity of Net Migration from the South." Social Forces, Vol. 38, October, 1959, pp. 33-42.

To test the hypotheses that net migration from the urban and non-rural South tends to be selective toward groups (a) educationally superior (b) educationally inferior (c) from the extremes of grades completed and (d) randomly distributed over schooling levels, the "residual" or "survival - rate" method of migration measurement is applied to Census data of 1940 and 1950.

Among all persons age 15 and older in 1940, the net out-migration is selective of educational extremes although low in the no-education group. This trend diminishes as the age level observed increases. Migration patterns for whites follow the above trend while non-white out-migrants are more highly schooled. Male-female breakdowns are included in cross-tabulation as are groupings by urban and rural non-farm vs. rural farm populations.

Low-level selectivity of net immigration observed for all age, color and sex categories of the urban and rural non-farm South.

Non-southern states, especially the West, experience in-migration of educational extremes in the 1940 - 1950 decade, and low-level out-migration of their rural farm populations. Over the U. S. as a whole selectivity is toward the extremes for the young and concentrates on low-level education in older migrants.

Net migration to urban and rural non-farm areas both in and outside the South has resulted in lowering the average educational level.

Harbison, Frederick and Charles A. Myers, Education, Manpower, and Economic Growth: Strategies of Human Resource Development. New York: McGraw-Hill, 1964.

While this volume is concerned with the role of human resource development in the development of nations, and advances and analyzes policies with that purpose, parts of it are applicable to regional development within a country.

Human resource development is concerned with development of skills and knowledge, and also with providing broader employment opportunities. The stock of educated manpower and the rate of increase (gross or net) in that stock are two basic indicators of the level of human resource development. The authors developed a "composite index" of human resource development using enrollments at the second and third levels of education (pages 31-32) to place countries in one of four rankings on a quantitative basis. Chapters 4 through 8 treat qualitative indicators of human resource development. "Critical areas of choice" in development of human resources are: (1) the quality versus quantity emphasis; (2) the relative stress to be placed upon the sciences and technology and upon the arts, humanities, and law in secondary and higher education; (3) the importance of preemployment training versus on-the-job training for skill development; (4) whether market forces should be subverted in creating incentives through wage and salary structure; and (5) the resolving of any conflict between the needs and desires of the individual and those of society. (Pages 173-174)

The concluding two chapters of the book treat, respectively, (1) particular procedures which can be used by policy planners, and (2) how human resource planning can be integrated with more general development planning. Addressing themselves to the latter concern, the authors note that the resident of an area must be educated to accept and support development policies and programs, and that specific goals must be set, with a framework provided for evaluating and considering alternative means of achieving the desired ends. Following this, needed public investments must be made, and incentives for attracting private investments in appropriate activities must be established. It is generally agreed that a good plan must be comprehensive, including economic and social goals (such as increased employment at higher incomes and improved health and education), as well as feasible and internally consistent. Moreover, to produce a viable plan, the short-, intermediate-, and long-run all must be considered. Finally, once good plans have been devised, they can be implemented only by vigorous action in support of them, seeing them through to completion.

Henderson, James M., "Some General Aspects of Recent Regional Development", in Greenhut, Melvin L., and Whitman, W. (editors) Essays in Southern Economic Development. Chapel Hill, University of North Carolina Press, 1964. Pp.173-194.

Net migration estimates by state for the 1950 to 1960 period were made by the "residual" method, whereby the 1960 area population minus the 1950 population minus births plus deaths equals net migration. Rural out-migration was found to be nearly universal in the U. S.

The South may be classified as an "urbanizing - rural" region, evidenced by the 44.5 percent accessions to urban population by rural out-migration from that area.

Rural out-migration of non-whites averaged 4.0% annually against 2.4% of whites in the South, similar events occurring specifically for all southern states. Net urban in-migration however was 1.54% for whites but only 0.03% for non-whites.

Extrapolation of current rates show that eventual depopulation of non-whites from rural urban areas could occur in nine southern states. Overall regional predictions up to the year 2020 indicate rural population declining at a declining rate, urban population increasing at a declining rate, and total population increasing at an increasing rate.

Industrial classification of southern employment shows qualitative changes for the South coinciding with that of the total U. S., although growth of nonagricultural industries is more rapid in the South. In explaining differentials between state and national employment growth rates, rate of urban in-migration is a significant factor but original status of industrial composition (1950) is not.

Using a weighted deviation between employment in particular industries of each state and the national average, it is found that 41 of 49 states have become less specialized in industry from 1950 to 1960. Five of those becoming more specialized were southern states.

Annual percentage income increases are greater for most of the South than for the aggregated U. S. This seems to be caused by rural out-migration decreasing the number of low-paid workers and urban in-migrations which, although they may depress urban wages, are insufficient to overbalance the former trend.

Hillery, George A., Jr., "Migration Systems of the Southern Appalachians: Some Demographic Observation," Rural Sociology, March 1965.

"This study discusses an analytical scheme for fitting together migration streams, representing separate migration patterns, into an integrated whole. Attention focuses on indicating the probable existence of migration systems on the demographic level, their conceptual form, the data necessary to study them, and some problems associated with such study. Migration systems are illustrated by 1949-1950 migration data for State Economic Areas of the Southern Appalachians."

Iden, George, "Industrial Growth in Areas of Chronic Unemployment." Monthly Labor Review, May 1966, pp. 485-90.

In this article the changing industrial complexions in "24 major labor areas of persistent unemployment" are studied. It was found that decline of one or more industries contributed substantially to the economic stagnation of these areas, and that in general the decline of declining industries was more precipitous in these areas than in other, more prosperous areas of the United States. But the distressed areas were not without growth industries--including services (professional services, finances, insurance, and real estate, public administration, communication, trucking and warehousing) and some types of manufacturing (fabricated metals, apparel and fabricated products, transport manufacturing, printing and publishing, electrical machinery, and chemicals). In many instances the rate of growth in these growth industries was greater in the depressed areas than in the balance of the country. Growth of educational services in the areas of persistent unemployment generally lagged the rest of the economy, a bad omen for the future growth of these areas.

Illinois, Educational Rehabilitation: An Evaluation of the Adult Basic Education Program of the State of Illinois. Greenleigh Associates, Inc., 1965.

The major findings of this evaluative study: Programs relatively ineffective in basic educational achievement. Not all out of school persons over 18 are allowed to enroll. Scheduling not always convenient. Students and their requirements cover a wide range. Instructional materials do not deal with the world in which people live. Guidance personnel inadequate. Compulsion to attend classes often based on being a recipient of public assistance. Day care programs for children are not extensive. Schools are not always easily accessible. The form of schooling does not always fit needs of illiterate adults.

Detailed recommendations are made under five major headings: Content of Education; Educational Process; Student Selection, Counseling and Special Programs; Program Administration, and other recommendations.

"The Southern Italy Development Fund and Vocational and Technical Training," Italian Affairs; Vol. 12 No. 4, 1963, pp. 4497-4510. No author.

By laws of 1957 and 1959, about 34.7 billion lira was placed at the disposal of the previously established Southern Italy Development Fund. Administration by the Fund resulted in the distribution of significant resources to the following uses throughout the area: 18 pre-vocational schools for 11 to 14 year old children, 21 two-year agricultural schools for fourteen year olds, nine senior agricultural colleges, two and three month courses for experienced farmers, a vocational industrial and artisan trades school for each provincial capital, two-month refresher courses in "Training Centers for Farmers", 40 to 60% financial support for construction of privately-sponsored schools for the building trades, commerce and the hotel industry, full support of equipment procurement in private industrial and artisan trades training, a two-year school of research for economic and statistical analysis. Seven-month training for 85 graduates who are potential top-level management in southern Italy, 36 college courses preparing teachers for vocational training careers, building and equipment for nurses training, and technical aid to public assistance staffs.

Johnson, D. Gale, "Policies to Improve the Labor Transfer Process", AER Papers and Proceedings, May 1960, pp. 403-412.

The first part of the paper presents aggregate data from the 1950 Census of Population on farm - nonfarm migration and the reverse flow. Johnson's policy recommendations to increase the rate of migration and to reduce the reverse flow include (1) a labor extension service to provide job and occupational information on at least a regional (as opposed to strictly local) basis and (2) a variety of aids to facilitate the physical move, including loans, grants, and subsidies.

Kaufman, J. J., "Labor Mobility, Training, and Retraining," in Studies in Unemployment. Prepared for the Special Committee on Unemployment Problems, United States Senate, 86th Congress, 2nd Session. Washington: GPO, 1960, pp. 343-365.

The problem of severe area unemployment in the midst of general prosperity can be approached in either of two ways: (1) through the operation of market forces, or (2) by direct government intervention. A major object of this paper is to study mobility in general and the mobility of persons in depressed areas to determine whether market forces alone might solve the depressed area problem. If they are not sufficient, retraining might be needed to place the unemployed in jobs. A second major purpose of this paper is, then, to study the question of training or retraining depressed area workers for jobs within or outside their areas.

Mobility of Labor. The relevant type of mobility is geographic mobility, which is invariably combined with at least one other sort of mobility. Such mobility is typically undertaken as a last resort by a worker. It is inversely correlated with age and home-ownership, but varies directly with the general level of economic activity. Laborers and factory workers are among the least mobile occupational groups, and females are, in general, less mobile than males. The effects of ethnic origin and marital status on mobility are open to debate.

Looking at 12 areas of chronic unemployment in Pennsylvania, Kaufman notes that they have "consistently [lost] population" while the rest of the state has experienced population growth. But the decline in population has not kept pace with the decline in employment opportunities, and the prime worker age groups (25 - 44) have been largely responsible for the net out-migration. The outflow of males has exceeded the outflow of females. Thus he concludes that normal migration might eventually solve the chronic unemployment problem--but only at very high "human and social costs."

Labor Force Changes. Actual and expected labor force changes as regards age, sex, and occupation are reviewed. Among the relatively declining blue collar worker groups, it is noted that there is an increasing demand for skilled workers relative to the total labor force growth. To meet the demand for more skilled workers, additional training and retraining must be provided for our present and future manpower resources.

Training Program. Training programs may focus upon any of 3 objectives: (1) industrial development, (2) worker skill improvement, or (3) mass migration. Kaufman feels that either of the first two objectives would be less expensive than the third, and would likely be more successful. He especially favors training undertaken to provide workers for specific employers coming into depressed areas, while stating that "a training program designed for mass migration appears too impractical for economic, psychological, sociological, and political reasons." (p. 355)

The latter portion of the article provides some details of Pennsylvania retraining programs operative in the late 1950's, and includes sections on the roles of secondary education, on-the-job training, technical and trade schools, and guidance and placement in the over-all training and retraining effort.

Klaassen, L. H., Area Economic and Social Redevelopment: Guidelines for Programs. OECD, Paris, 1965, 113 pp.

Although neither vocational training nor migration are treated at any great length in this volume what is said gains importance because it is integrated into a total plan for area redevelopment. Starting with methods of defining distressed areas, the study goes on to look at the role of comparative studies, of central government policy, and of the local development plan. Particularly interesting are the chapters on "Basic Conditions to be Fulfilled in the Problem Area" and "Some Features of Redevelopment Policy for Different Classes of Distressed Areas." It is noteworthy that, without stressing one approach, the author actually presents lucid "guidelines for programs" to aid distressed areas.

With regard to training and retraining programs experience has shown that mobility of workers increases with the degree of skill possessed. Consequently a portion of a region's investment in training should be considered as a loss for the area.

In developing a program for specific goals a community must establish or expand its basic facilities and hire personnel in the areas it wishes to improve. However, there is a careful balance which must be struck so that the schooling does not become overly concentrated in an area in which the trainee may be trapped since "it is reasonably certain that most very narrowly defined jobs will themselves become obsolete..."

Leven, Charles L., "Population, Migration and Regional Economic Development." Current Economic Comment, November 1959, pp. 31-42.

The author points out the fallacies of those who fear net out-migration from their regions, noting that mobility of labor is a market force which aids the efficient allocation of labor. He discounts the argument that migration of the young from the home area is an "unfair" economic loss, saying that the costs of rearing and educating children are sunk costs to which the most desirable return is the knowledge that these outlays have equipped the new generation with the ability to succeed in and contribute to the world, regardless of where the contribution is made. He also makes the point that some regions are not economically viable, at least for some types of endeavor, and where this situation obtains, it is not in the best interest of the public to try to lure industries to locate in these areas.

Levitan, Sar A., "Training the Unemployed for Jobs," in Federal Aid to Depressed Areas. Baltimore, 1964, Johns Hopkins Press, pp. 162-190.

While aid to depressed areas in general remains highly controversial, prepassage testimony and debate of the Area Redevelopment Act of 1961 revealed that diverse interests supported, in theory at least, a larger role for the federal government in vocational training. The bill provided for subsistance payments to trainees who were unavailable for work during training, and hence denied state benefits. Limitation of payments to sixteen weeks effectively limited course length.

Federal-state-local relations concerning planning and training were often strained by the multiplicity of jurisdictional claims provided for in the act. With regard to the effectiveness of training it has been charged that it is not serving the hard-core unemployed, that is, entrance qualifications tend to discriminate against older and less educated workers, perhaps due to the desire of program directors to show a high level of "success." However, during the first two years of operation more than half of ARA trainees were hard-core unemployed if half a year unemployment preceding training and less than $1200 annual income are taken as criteria.

There is a generally recognized need to broaden the program providing more funds for training, lengthening training and allowance periods and to pay trainee transportation costs.

A major contribution has been made by ARA training in the realm of emphasis of the relationship among existing programs: employment services, vocational training and manpower projections. Experience suggests the need to strengthen vocational education at all levels.

Luebke, B. H. and John F. Hart, "Migration from a Southern Appalachian Community." Land Economics, February 1958, pp. 44-53.

The study area was Chestnut Hill, Tennessee, located in a remote area of Jefferson County. From 1900 to 1950, the area's population has declined by nearly half, with the migration rate for the decade from the mid-forties to the mid-fifties being about 40 percent. While high, this is a rate below those of other similar areas. Over two-thirds of the families supplying migrants were tenants--in an area where tenants are a distinct minority--attesting to the fact that land ownership is a powerful deterrent to migration. Other factors serving to tie remaining inhabitants to this "economically, socially, and culturally retarded" area are state and federal farm aids, the fact that the inhabitants know no other way of life, and a very strong psychological, almost religious, attitude termed the "Mountain Yeoman Complex" (p. 48). On the other hand, death or divorce of parents tends to favor migration. Also, once a number of persons have left an area, and its institutions are on the wane, it seems easier for others to leave. Still, northward migration from Chestnut Hill remains confined, with few exceptions, to single individuals and childless couples. Strong Fundamentalist religious beliefs of the area cause the moral climates of other areas, especially Northern cities, to be considered unsatisfactory. In several instances, very personal considerations have motivated persons to migrate. Availability of job information is important. During national labor shortages there is active recruitment by Northern firms, and migration is high, but generally job information in the area is poor, owing partly to low levels of educational attainment. The influence of formal education as a selective factor appears to be dwindling, however. Reports to the home region of migrants' adjustment to new surroundings affect future movement. The authors' study finds, however, that these mountain people can, with help, adjust to urban life in new locations.

Lubin, Isador, "Reducing Unemployment in Depressed Areas," AER Papers and Proceedings, May 1960, pp. 162-170.

The author urges that federal aid to depressed areas is essential, but he rules out encouragement of out-migration as a desirable approach to the problem. In support of this viewpoint he refers to New York State Department of Labor studies of plant relocation projects. These studies show that offers of continued employment in the new areas, even when supplemented by payment of moving costs and cash bonuses, are generally insufficient to induce workers to leave their home areas. In Lubin's opinion, therefore, any federal aid programs must be geared to local needs and resources.

Mangum, Garth E., "Toward a Human Resource Development System for Appalachia," prepared for the Appalachian Regional Commission (Xeroxed). (Washington, 1966)

This paper sets forth Dr. Mangum's views for a regional policy of manpower development to improve the quality of education in Appalachia, upgrade the skills of its remaining youth, and raise their attitude toward acquiring these skills. To this purpose Dr. Mangum proposes a reduction in purely academic stress and an increase in vocational training. He stresses the need for a more intensive gathering of evaluative data for the development of a human resources system for Appalachia.

Mangum's program places major emphasis on the "emerging" labor force and the need to devote resources to them. Rather secondarily and casually is mention made of programs aimed at retraining and upgrading the existing labor force. (Unfortunately no estimate is presented as to the cost of his proposed program in our copy of his paper, but there is an indication that costs and financing will be listed in the final draft.)

Massacesi, Ettore, Regional Economic Development Policies in Britain and the Countries of the Common Market, U. S. D. L., Washington, 1965.

Most skilled workers in Italy have obtained their training in the factory. Vocational schools are rather recent. In order to develop the southern areas it was necessary to develop southern workers. The enabling legislation for the institute for developing the South (Casa per il Mezzogiorno) did not provide funds for vocational training or educational institutions at first. New legislation enabled the institute to train technicians and skilled workers whose talents were needed in the developing regions. From the funds the Casa has financed the construction of elementary schools and agricultural institutes; it has aided the education and vocational training of skilled craftsmen.

The institute has stimulated professional instruction to educate, encourage, and maintain managerial and technical talents for industry. It has created a vocational center for the assistance of southern migrants to Torino (a northern city.)

McDowell, Leonard C., "The Area Vocational School Plan in Kentucky," Bulletin of the National Association of Secondary-School Principals, Vol. 49, No. 301, May, 1965, pp. 97-103.

McDowell's article is one of eighteen in a special issue devoted to vocational education. Because of the lack of large urban agglomerations, Kentucky's program for vocational education was developed around schools established in particular areas which were to attract students from the surrounding country-side. Besides the area school, branch or "extension" schools were established in more remote areas with their ties to the area school in order to accommodate the potential industrial workers living in remote rural areas too far from designated centers.

While the area school is to provide for the training needs of people in its area (drop-outs, retrainees, and training to up-grade), until 1964 the satellite schools usually covered only three different occupational areas. The Vocational Education Act of 1963 stimulated an expansion of these schools in its requirement that a minimum of five subjects be covered in order for a school to be eligible for federal assistance.

Because of the area nature of such schools, local boards were reluctant to devote necessary funds to the improvement of school functions. McDowell relates the gradual intercession of the state government and the future possibilities. He concludes by noting seven advantages for the area type organization, especially for Kentucky which does not have large population centers throughout the state:

1. The crossing of school district lines.
2. A broader range of programs and co-ordination.
3. Less difficulty adjusting to changes.
4. Training needs of remote parts of the state can be met.
5. An industrial atmosphere is provided to many student-workers with a rural background.
6. Emergency programs initiated with little difficulty.
7. Singleness of purpose among administrators toward gearing workers to be proficient in their vocation.

McKie, James W., ed., Education and the Southern Economy, A Volume of Essays, Chapel Hill: Southern Economic Journal and Univ.of N.Carolina,1965.
Bowman, Mary Jean, "Human Inequalities and Southern Development." Southern Economic Journal, July 1965.

This essay considers the following questions: How is education distributed among the adult urban and rural populations of the North and South, for all races combined and for whites versus non-whites? What difference does region of birth make? What changes are evidenced, if any, over the past decade? Her data indicate that while both the urban and rural sectors of the South trail the similar areas in the North insofar as completion of the eighth grade level is concerned, the fact is that the urban attainment levels are quite deviant from the rural attainment levels in the South.

Above the eighth grade level educational attainment in the urban South actually exceeds that of the North, while rural North and South educational attainment levels converge.

In-migrants have raised the attainment levels of the urban South and reduced them in the urban North. Functional illiteracy has been reduced more rapidly in the North than the South, particularly in the rural sections. However, as Rivlin points out in her comments, the educated rural Southerner is most likely to out-migrate thus leaving behind a lower educated group. In contrast to this, Bowman cites the example of a decade of migration of low-educated Appalachians to the cities and the effects which the attitudes of these people have had on reducing the educational attainment of their children.

Examining successive age cohorts of Southern men, whites and non-whites, Professor Bowman finds that attainment has been increasing gradually in all instances, but strikingly among urban non-white cohorts which have reduced the proportion of less than eighth grade attainment by 75 percent over one generation.

Cartter, Allan M., "Qualitative Aspects of Southern University Education." Southern Economic Journal, July 1965.
Sets forth the hypothesis that the social aspect of higher education has been traditionally overvalued in the South, while the intellectual and economic benefits have rated second. The result is "an underinvestment in higher education, particularly in those areas of education that would be of greatest economic value to the region (i.e., agriculture, engineering, science, teacher training, other highly specialized scholarly fields, and quality education in general)," (p. 40).

Within the text of the thesis criteria are presented for evaluating the educational output of southern universities by looking at the number of Ph.D. degrees granted, size of programs, libraries, faculty compensation, placement of students, national fellowships, etc. Cartter states that out-put of southern schools of higher education is of sufficient quantity, but of low quality and that budgets should be reoriented toward reducing the quality deficit.

Fein, Rashi, "Educational Patterns in Southern Migration." Southern Economic Journal. July 1965.
"This paper presents data concerning migration into and out of three census divisions (South Atlantic, East South Central, West South Central) that make up the Southern region in order to illuminate some of the migration patterns for those areas and to help provide a basis for assessing the 'seriousness' of the migration problem and its impact.

An analysis of migration patterns April, 1955 to April, 1960 was performed for each of the three divisions while net migration data are provided for the entire region in order to point up the differences in the "typical" problem. Mobility rates of functional illiterates was 5 percent for the South (out-migration), while it varied from 5 to 9 percent between the subregions of the South and the rest of the country. In contrast 26 per cent of the highest educational level migrated from the South, while a subregion had 41 percent of its highest educated out-migrate. The necessity for reviewing migration rates at a subregional level is demonstrated by Fein in four tables.

The relationship of mobility to age and education also differs markedly. The South Atlantic subregion has had 38 percent of whites under age 30 with 16+ years of school migrate, while only one percent of those 60+ with less than 5 years education have migrated. In the age group 25 to 29 only 5 percent of the functionally illiterate were mobile while 38 percent of the most highly educated out-migrated.

The role of race is also significant. While rates of 38, 28 and 16 percent were compiled for whites, non-whites in comparable cohorts had migration rates of 23, 20 and 10 percent respectively."

Education and Training for the World of Work: A Vocational Education Program for the State of Michigan. (Especially pp. 33-45.) Smith, Harold T., W. E. Upjohn Institute for Employment Research, 1963, 165 pp.

It is essential that vocational and technical education be treated as an integral part of total education. The institutions needed are (1) the comprehensive area post-secondary and adult education institution, (2) the comprehensive high school, and (3) the cooperative area vocational facility. In Michigan the functions of (1) should be filled by the Community Colleges.

The limitations of crashtraining programs are great. The great majority of the unemployed are not ready for intensive short courses and present facilities are not adequate for successful programs. Youth camp-type programs should set as minimal goals the teaching of work skills and functional literacy, acquainting youth with job markets, and placement in either training or jobs.

Standards which destroy eligibility for employment compensation for those engaged in training should be reworked. Legal aid levels which discourage schools from offering the most expensive (and often most needed) courses should be reexamined.

In an accompanying analysis of the Chicago area, the greatest single handicap among adults in need of training was found to be functional illiteracy. It concludes that a majority of able-bodied persons on public aid will never become employable without substantial training, starting with literacy training.

Also included in the report is a section on systems of vocational education in the following states: Connecticut, New York, Pennsylvania, Florida, Kentucky, North Carolina, California, Illinois, Michigan, Minnesota, and Ohio. These surveys cover organization, development and financing of programs and research being conducted.

Miernyk, William H. and Britt, Robert D., "Labor Mobility, the Transfer of Skills, and Area Redevelopment," prepared for ARA by the Bureau of Economic Research, Institute of Behavioral Science, University of Colorado at Boulder. (March 11, 1965)

A report on the characteristics of workers in a small sample of new firms established through ARA assistance in order to identify patterns of labor mobility and to determine the extent to which sample workers are able to transfer skills between occupations and industries.

A two stage survey was used in which only operating new firms established with ARA assistance were studied and questionnaires were distributed to all workers in the sample firms by their managers. Responses were voluntary and considered excellent, although dominated by three regions, the Northeast, Great Lakes, and Appalachia.

The results indicated that the few new plants which had been assisted by ARA had contributed to the reduction of unemployment. A considerable amount of upgrading had occurred as well. The new plants attracted their work force from within a fifty mile radius indicating the low geographic mobility, which was expected.

"Coal and Steel Community Policies for Averting Unemployment." Monthly Labor Review, October 1963, pp. 1139-44.

Worker readaptation and area redevelopment programs of the European Coal and Steel Community, designed to cushion the impact of the economic reorganization which followed the formation of the Community, are described. The types of aid available include retraining, counseling services, resettlement or transfer allowances, allowances to make up any difference in pay between the old and the new jobs, as well as attraction of industry to labor surplus areas. The administration and financing of the programs are also covered.

Moss, John F., Jr., A Follow-Up of Drop-Outs and Graduates of Schools in a Redevelopment Area with Implications for Vocational Education. (unpublished Ed.D., University of Missouri, 1962)

The most capable high school graduates of troubled areas seek opportunity outside of these areas. The educational and occupational experiences of a group of high school graduates and drop-outs indicate that students in distressed areas do not obtain equal opportunity, that guidance is likely to be inadequate and that the area is exporting its best personnel. The study area is St. Francois County, Missouri.

Riley, Thomas J., "The 'BEST' Program for Unemployed and Unskilled: Port of New York Authority Anti-Poverty Program for Basic Skills" in Training and Development Journal, Vol. 20, March 1966, pp. 40-44.

Since December of 1965 the Basic Essential Skills Training program in New York City has been training unskilled men in five basic skills for which there is a shortage of trained personnel: Heavy vehicle driver, general maintenance, building and grounds sanitation, oil burner repair and installation, and air conditioning repair and installation. Though trainees do not receive remuneration for attending class there is a waiting list of over 2,000 for future classes. Though the first year's cost of training will be $1,800,000 (approximately $300 per student) 350 welfare cases have been closed as a direct result of training, yielding a saving of approximately $1,500,000 a year.

In addition to vocational training students receive 160 hours of remedial literacy skills, with special courses for the non-English speaking.

All classes, vocational and remedial, are kept to a ceiling of 10 persons. Some courses have as few as four students per instructor. Completion rates as high as 235 out of 240 are reported.

Substantially increased earning capacity, ($20 - $50 per week) was reported for 85% of BEST'S welfare graduates.

Nicholls, W. H., "Human Resources and Industrial Development in the Upper East Tennessee Valley, 1900-1950", Quarterly Jounal of Economics, May 1957, pp. 289-316.

The author's study of 15 Tennessee and 5 Virginia counties found that the more industrialized counties have rather consistently exhibited lower birth and fertility rates than the less industrially developed counties. They also have spent a higher per capita amount on education. Relatively fewer persons have left the more developed counties, although all but a few counties showed net emigration rather consistently.

Okun, Bernard and Richardson,R.,"Regional Income Inequality and Internal Population Migration". Economic Development and Cultural Change. 9: 128-43, January 1961.

That the a priori reasoning which leads one to conclude that internal migration of labor favors the receiving point at the expense of the region of origin--that much movement increases inequalities between regions--might be faulty is illuminated in this article. Reducing the labor surplus in the region of origin might boost both productivity and per capita income, while both these measures might be reduced in the receiving region, particularly if the migrants are of inferior quality as regards education and skill level.

Following an empirical analysis for the United States of the effects of internal migration upon regional per capita income differentials, the authors conclude "that no general proposition can be formulated concerning the effect of internal migration on regional inequality of per capita income." (p. 143) The direction of the migration, whether one is considering the long- or short-run consequences, and the stage of economic development all have a bearing upon the outcome, which may even be indeterminate in some cases.

The North Carolina Fund, Mobility Project, 1965-1966, Phase One, (report in process).

The North Carolina Fund Mobility Project had, as a primary goal, relocation of unemployed farm people from one part of the state to another. The move is from a region in which farm jobs are being automated to another in which industrialization is creating new jobs. This project concentrated on the recruitment efforts in the Southeastern portion of the state. This is a community with a tri-racial component (Indian, Negro, and Caucasian).

The mobility effort was a new experience for the residents of this section of the state. Most have been reluctant to move and thus have stayed in the area of their birth. Compounding the problem has been a high rate of illiteracy.

Approximately 270 persons were relocated during the first phase of the mobility project which ended in March 1966. The follow-up for the project has not been completed (North Carolina State University at Raleigh, Department of Agricultural Economics), but some information can be given. A cursory examination seems to indicate that a number of those who were relocated did not stay because of homesickness. Strangeness of the new environment prompted the return on weekends to their farm homes, where some remained. A need for extensive counseling prior to relocating is indicated, as well as continuous counseling for an extended period before and after the move.

Those who moved entered communities with other problems. They entered areas in which standard housing was very limited. The public transportation system to and from work did not always accomodate their needs.

The attrition rate in High Point was very low, perhaps because of three reasons:

1. The Fund rented an apartment building and turned it into a temporary residence for the relocatees who paid $13 a week for room and board. The average age of those living at the residence is 18 or 19. Most have not had modern plumbing and many have never been outside of their home county before participating in this project.
2. Counseling services were provided to High Point relocatees to help them cope with the problems of being away from home.
3. Because High Point is a relatively small town (in contrast to the other cities of the project) there may have been less of a cultural shock to the participants.

An outstanding positive feature of the North Carolina Mobility Project is that it showed that rural, unskilled, and illiterate workers could be gainfully moved to areas of employment. Most of these persons had never been touched by social welfare programs prior to the Fund project.

International Joint Seminar on Geographical and Occupational Mobility of Manpower, Final Report. (Paris; Organization for Economic Cooperation and Development, 1964.)

Seventeen percent of the U. S. population changed county of residence between 1955 and 1962, and roughly half of this group also changed state of residence. Out-migration from less prosperous areas (such as the U. S. South) is the net of in- and out-migration, thereby making any general explanation on economic grounds somewhat difficult.

High average mobility rates reflect the very great mobility of a minority of the population and the virtual immobility of other groups.

The economic impetus to mobility in the U. S., according to Parnes, is more likely to be the "push" from an unsatisfactory job than the "pull" to a better one. (p. 23) In general, the considerable movement "does not conform with an economic rationale." (p. 24)

The unemployment compensation system tends to reinforce the tendency to geographic immobility of the unemployed.

People move to and from areas for numerous reasons. The net flows are generally consistent with economic motivation only because the more prosperous areas afford more job opportunities than the less prosperous ones, and most workers must be sure of a job in the new area before they will engage in geographic mobility.

The causes and effects of voluntary and involuntary mobility are discussed on pages 26-27, and attempts at clarification of the terms are presented.

It was suggested that increased education--both as to the nature of other regions and as to job opportunities available in them--would increase geographic mobility. The point was also made that for geographic mobility to conform to economic theory, the migrant must be able to look forward to a sufficiently great increase in income to offset the costs of moving. This condition, it was observed, is much less likely to be met for laborers than for professional and managerial personnel.

In Italy, rural-urban migration has been observed which contradicts economic theory: agricultural pay (in the North) was higher than the pay in the towns to which farm workers were moving. Social factors were presumed to be responsible.

The experience of a U. S. plastics plant relocation from the North to the South is treated on pages 43-51. Many of the employees (including 60% of the hourly-rated workers) were invited to move with the plant. Those not invited and those invited but choosing not to move were counseled in job-hunting, and several other steps to help them find jobs were taken. (Most recent figures--more than a year after the relocation--found about 6% of those who did not move were unemployed; most of these were aged 55-60.) (Page 50) Generous severance allowances were paid those remaining behind, and various sorts of pension payments were made available to those choosing to retire early. For those who moved, the company incurred costs of about $2,000 per worker. Many forms of assistance were made available to those who transferred with the plant, and these were reflected in this rather high relocation cost, which included payment of moving and travel costs and lawyers fees incurred in the sale of old homes and the purchase of new ones. The readjustment of the workers and their families was surprisingly smooth, with the possible exception of the young unmarried persons. The fact that a larger group had moved together likely explains much of this smoothness. After a year and a half, over 25% of those who moved to the South had returned to the North. Clerical workers were found to be less mobile than manual workers, due largely to the fact that the former group consisted primarily of single females, and the relocation area did not abound with single males.

Organization for European Economic Cooperation, Accelerated Vocational Training for Unskilled and Semi-skilled Manpower. European Productive Agency, Paris, 1960.

A summary of recommendations made by the 1958 International Seminar of the European Productive Agency of the O.E.E.C. includes first the topics of administrative experts, viz., goals of accelerated vocational training, the problems of economic sectors and of individuals, the role of instructors and the recruitment and maintenance of both instructors and trainees. The technical group discussed methods of operating training programs.

The summary report of the Agency's Consultant surveys principal aspects of individual national reports. Purposes of training discussed at length include readaptation of employed adults, reduction of the effects of technological change, improvement of the effectiveness of mobility, improvement of vocational guidance for young people and extension of training to female workers.

An international survey of the following elements of training is included: scopes of purpose in A.V.T. plans, organizational sponsors, methods of evaluating training, legislative provision, financial sources and budget sizes, extent of administrative centralization, methods of trainee selection, training allowances, qualifications and selection procedures for instructors, course syllabuses, teaching methods and job placement experience.

Most of the above topics are then discussed in individual reports by twelve European countries.

Page, David A., "Retraining under the Manpower Development Act: A Cost-Benefit Analysis," Public Policy, Vol. 13, ed. John D. Montgomery and Arthur Smithies. (Cambridge: Harvard University Press, 1964) pp. 257-267.

Direct examination of 907 retrainees, the costs incurred and benefits derived in manpower programs. Describes an analytical means for measuring the import of retraining programs including how to treat transfer payments and cyclical changes, the appropriate means for discounting future benefits and the amount of taxes which will be paid by trainees as opposed to the amount of tax money which would be used in their support without training.

Page, William J. Jr., and Huyck, Earl E., "Appalachia: Realities of Deprivation", in Poverty as a Public Issue, Ben B. Seligman, ed., Free Press, New York, 1965.

The first section of this article describes the characteristics of Appalachian regional decline: the net out-migration of the productive age group, the disproportionate number of low income families, severely declining employment, widespread severe health problems, poor housing, low educational levels.

The concluding section deals with policy implications. With regard to redevelopment the recommendations fall into three groupings--the first two involve investment--in social overhead (transportation, community facilities, etc.) and in human and economic resource development. Specifically, special funding of efforts to reduce illiteracy and provide widespread vocational training are needed if any permanent progress is to be made. A regional health center and massive public health programs to provide for basic health needs would have the additional effect of providing a more effective work force.

The third recommendation is for an Appalachian Regional Commission aimed at program coordination and to be charged with the following responsibilities:

1. Inventory and analysis of the region's resources, sponsorship of research necessary for policy development.
2. Suggestion of formulas to take advantage of federal allocation procedures which might benefit the region, also to review state and local programs.
3. Assist the formation of multicounty development districts to aid small local jurisdictions.

Parnes, Herbert S.; Research on Labor Mobility: An Appraisal of Research Findings in the United States. New York: Social Science Research Council, 1954.

In this volume the author draws together two decades of labor mobility research, comparing and evaluating the findings, the methodologies and the concepts as well as data sources.

The first chapter presents the problems which are discussed in the remainder of the volume, and outlines the plan of attack. The second one deals with problems related to concepts and methodologies and discusses the nature and reliability of various data sources. The empirical findings of the studies are presented and evaluated in the third chapter, while the fourth deals with factors which influence the amount and patterns of mobility. In the next chapter Parnes discusses the record of labor mobility as it relates to allocation of the labor resource, and talks of how workers find jobs and what they look for in jobs. The volume concludes with suggestions for future mobility research efforts. The third, fourth and fifth chapters are the ones of greatest relevance to the present topic, and more details from them follow.

Although the number of job shifts as a proportion of the total labor force is large, a small minority of highly mobile persons account for a vastly greater number of the moves. The incidence of occupational or industrial shifts is quite high, while a much smaller proportion of the working population engages in geographic mobility within a given year. In general, the number of jobs held within a given period by a worker is related inversely to his position on the occupational ladder, although a greater proportion of the separations are voluntarily for those nearer the top of the hierarchy. Except for such groups as farm laborers, those with greater educational attainment and in professional and technical and other higher-ranking jobs make more geographic shifts than do those in less skilled positions. Attachment to a particular industry is less strong than attachment to an occupation.

Mobile workers have been found to exhibit certain characteristics. All types of mobility decline as age increases although the age differentials reflect other factors, such as seniority, it still is likely that age per se has some effect upon mobility. Geographic mobility of men is greater than that of women, although the effect of sex upon all types of mobility is still uncertain. The evidence on race is indeterminate as well. Married men living with their wives are somewhat less likely than other males to undertake geographic mobility. Home ownership, union membership, and education have received too little attention to make safe generalization, although it appears that the first of these variables does serve to reduce geographic mobility. Certain institutional factors also affect mobility. Voluntary mobility has been shown to increase as the general level of business activity increases. The structure and diversification of labor markets also exerts some influence upon the amount of mobility.

Do mobility patterns display a tendency to allocate labor efficiently? That is, what considerations lie behind workers' decisions to shift jobs or to retain their current status? The nature of the job, personal reasons, and wages, respectively, are the three most important factors behind voluntary job separations. When there is a spell of unemployment between jobs, that joblessness apparently provides the greatest incentive for the worker to take a new job, whereas wages are more important if movement is made directly from one job to another. (This is important to depressed areas, as shown by Somers' study of the Kaiser plant at Ravenswood, W. Va.). Workers have little knowledge of job opportunities, and obtain jobs primarily through contact with friends, relatives or by direct application at the gate. This implies a need for better information and counseling services for unemployed workers. Workers tend to take the first available job which satisfies certain standards which they have set, with those standards being lowered as unemployment continues.

Parnes, Herbert S., "The Labor Force and Labor Markets," in Herbert G. Heneman et al., Employment Relations Research. New York: Harper, 1960, for the IRRA.

The sections of this chapter on mobility constitute an up-dating of the author's 1954 volume, Research on Labor Mobility. The major characteristics of geographically mobile workers remain the same as reported in the earlier work, with no new light shed on this type of mobility. The amount of job shifting declines as one ascends the occupational ladder, although the difference between any two adjacent levels is not significant. There are few significant industrial differentials in mobility rates. Significantly, the combined influence of all the commonly known factors influencing mobility--age, sex, marital status, occupation--accounts for only a small proportion of the mobility differentials among individuals, indicating that personal traits may bulk large in any full explanation of mobility differentials.

Perloff, Harvey S., Edgar S. Dunn, Jr., Eric E. Lampard, and Richard F. Muth, Regions, Resources and Economic Growth. Baltimore: The Johns Hopkins Press, 1960.

While the 607 page text is concerned with an assessment of regional resources and the bases of regional differences, very little in the way of human resources is discussed. The available discussion of human resources is related to the discussion of income. Education and training are not considered, nor is any reference given to these or related subjects in the Index.

Nevertheless, the discussion of migration and income is important. The thesis of chapter 33 is that "large numbers and high rates of population growth have quite different effects under different economic circumstances, and that the rapidity with which new and better-paying job opportunites are introduced within an area sets the range within which population growth can be absorbed at the same time that per capita income levels are increased."

The approach is from the view that if regional differences cannot attract industry to the extent of removing these differences, the objective economic criterion (supply-demand) would call for out-migration. In such circumstances it is necessary to closely evaluate the characteristics of the out-migrants in order to assess the influence of their movement on the over-all productivity level of the community, the local market, community services and the ability to finance them. However, the objective criterion does not always produce the anticipated result where out-migration is the concern. Consequently, "out-migration will not always be at the volume and rate called for by the objective situation (i.e., the wage and income differentials)." (p. 592)

In the historical discussion of the equilibrating tendency of migration, the point is made that in-migration follows the objective criterion and thus it is impossible for a region to maintain a real advantage for a long period, but that a disadvantaged region may remain so because out-migration does not follow economic forces.

Quinlan, Pierce A., U.S.D.L., OMAT, Manpower Evaluation Report #5, Graduates of the Norfolk Project One Year Later, 1965, 25pp.

This is a report on a 52-week training program carried on by Norfolk Division of Virginia State College involving approximately 100 Negroes in the Norfolk, Virginia area. Age, educational and employment histories of the participants are broken down. Courses were offered in masonry, maintenance, sheet metal working, auto mechanics, and electronics. Training related placement rates during the year following training were particularly high (all above 50%), while the percentages holding training related jobs at the end of the year were much lower, averaging 41% with a low of 21% for the auto mechanics course and a high of 66% for the masonry course. Hourly earnings after training improved in nearly all cases with a rise of more than 30% in some cases.

Though the Norfolk Project was designed to aid particularly disadvantaged workers the results in terms of employment are better than those reported for regular MDTA programs as a whole.

"Retraining the Unemployed", New England Business Review. August and September, 1962, Part I. The New England Experience. Federal Reserve Bank of Boston.

Both Connecticut and Massachusetts have had comparatively long experience in retraining the unemployed. Seventy-seven percent of the New England ARA trainees have been placed in training related jobs (1962) and another five percent in other jobs.

Massachusetts pioneered in the field by passing legislation in 1956 by which persons taking vocational training could be considered "available for work." A sample of 900 persons trained since 1958 in Massachusetts showed that those people who (1) had been laid off, (2) took vocational training and (3) have been working for more than one year on the average increased their yearly income by 35 percent, or almost $1,000. The increase for a non-trainee control group was $250 or 10 percent. Comparative gains were also made in number of weeks worked per year by Trainees. Exclusion of persons trained in barbering (where earnings decreased) from the statistics yields an increase of average yearly income of nearly 50% for the remaining trainees.

Part II Interest in Retraining

Responses of a questionnaire sent by the Massachusetts Division of Employment Security to a randomly selected sample of 1% of 1961 unemployment compensation claimants show that two-thirds of the respondees felt that training could be of help to them. The principal reason given by the one-third who would not consider retraining was advanced age.

It should be remembered that weekly salaries to formerly unemployed retrainees will be low since they tend to have low educational attainment levels. Respondees indicated that their expectations of monetary gain from training were not out of line with realistic possibilites. Unsolicited enthusiasm was common. This often took the form of a desire to "steady" work rather than inflated expectations as to post training skill improvement.

Supplementary statistical material describing the joint research project by Massachusetts division of Employment Security and the Federal Reserve Bank of Boston may be obtained from the Bank's research department.

Rivlin, Alice M., "Critical Issues in the Development of Vocational Education," Unemployment in a Properous Economy. ed. William G. Bowen and Frederick H. Harbison (Princeton University, Industrial Relations Section, 1965) pp. 153-166.

Discusses the potentialities of projecting future job needs on current vocational education programs with the conclusion that not much change would occur in current curriculum. The notion of lifetime career training is becoming less of a possibility. Educational planning may be improved if we can accept the idea that periodic retraining is normal and desirable.

Hard research into the questions of the returns to vocational education, the level at which training should occur, and who should pay for more vocational education are the critical issues raised by Rivlin.

Shaefer, Carl J., Pennsylvania Meets the Challenge of Retraining. University Park: Pennsylvania State University, 1964.
Three in depth case studies of retraining in Pennsylvania are presented, their approaches to the problem compared, and an evaluation made of their success in providing employment opportunities.

The retraining programs studies were of three types: (1) a job oriented program conducted under state statutes, (2) an intermediate program conducted under ARA, (3) a general field oriented program under MDTA. In each case the specific provisions of the enabling act are outlined. Attention is focused on the community and the occupation involved. Detailed explanations of curriculum development and facility and instructor requirements are provided. Each training group is broken down by personal, social, educational, vocational and aspirational characteristics. Evaluations were made not only of program results measured in employment, but of facilities, teachers and the instructional program.

No adequate assessment of the long range effects of the programs is presented, as the report postdates project termination by only three months.

Using the programs studied, not as empirical evidence but as indications of what might be expected from a larger sample, the following recommendations are made:

1. Job trials should be used to assist trainees in making valid occupational choices.
2. Permanent facilities for training should be established throughout the state.
3. Retraining should emphasize work attitude as well as skills.
4. Continued provisions should be made for job, intermediate and field oriented training programs.

Shryock, Henry S., Jr. and Charles B. Nam, "Educational Selectivity of Inter-regional Migration," Social Forces, Vol. 43, No. 3, March, 1965.

The general hypothesis set forth is that there are a number of persistent tendencies in internal migration, particularly with regard to the South. Six tables are present using Census data and showing (1) the regional breakdown of the native white population by age, sex and years of school completed, (2) the educational attainment of the age group 25 - 34 in the South and the non-South for selected periods (3) residence region in 1935 and 1940 by sex and years of school completed for persons 25 - 34, (4) residence region in 1949 and 1950 by age, color, and years of school completed by 1950 for persons 25 and over, (5) migration between regions according to level of educational attainment--demonstrates net movement qualitatively using three cut-off levels of education, elementary, high school and college, and (6) area of residence in 1958 and 1959 by age and years of school completed by 1959 (persons 25 and over).

The authors conclude that: (1) out-migration from the South has taken college educated as was to be expected, but that South was a net-gainer of educated in that in-migrants average very high in educational attainment. The question to be asked of future research is whether the aggregate movement of educated personnel which has left the South a net gainer has not been equally distributed in the subregions of the South.

Sjaastad, Larry A., "The Costs and Returns of Human Migration," Journal of Political Economy, October 1962, supplement, pp. 80-93.

While the scope of Sjaastad's paper is national and to a great extent theoretical, it does have an important bearing on the regional issue of migration. Drawing upon his experience in a study of mobility in the Upper Midwest as well as his dissertation, "Income and Migration in the United States," (Chicago, 1961), the author calls for a more deliberate study of gross migration rates and the need to disaggregate migration data.

Economic opportunity, especially income differences between areas, must be very low in a depressed area if out-migration is to exceed natural increase. Net out-migration is desirable from an area in which a majority of the industries are paying depressed wages. Such migration should benefit the community remaining as well as the out-migrant. The case for retraining is made through the study of gross migration rates. If, as in several Southern states, gross migration is high, but net migration is average, a structural problem is indicated.

The analysis continues with a summary view of the monetary and non-monetary private and social costs and returns. Using the example of the migration from the Upper Midwest agricultural sector Sjaastad argues against the doctrine that costs inhibit mobility among persons over 20 but less than 35. By a compound interest formula he demonstrates that the reduction in returns to the mobile worker in this age group is insignificantly less than that for the cohort 15 to 29 which experiences almost 70 percent more mobility.

Somers, Gerald G., "The Experience with Retraining and Relocation," Conference on Manpower Policy. Berkeley Unemployment Project, New York City, June 20-22, 1966, 27pp.

"It is the principal premise of this paper that the establishment of the appropriate relationship between ... manpower policies requires a detailed research evaluation of each; and this discussion is focused primarily on the present status and future prospects of such evaluations."

Government reports on retraining tend to be vague and lack the sophistication that could be supplied by use of a control group of non-trainees. The few non-governmental evaluations employing this technique deal with samples of limited size.

With respect to social gains "retraining programs could be said to reduce total unemployment in the economy only if training results in an increased number of jobs for the unemployed or in the more rapid filling of a previously 'unfillable' job opening by a newly-qualified unemployed man."

Training of the disadvantaged has provided mixed results ... "it can be said that their employment and earnings after training are not as favorable as the employment and earnings of other trainees; but the labor market position of disadvantaged is considerably enhanced by their retraining--as compared with their own pretraining experience and as compared with disadvantaged workers who have not been retrained". "... if it is true that retraining can do more to improve the position of the disadvantaged worker . . . retraining for disadvantaged workers may be the soundest economic investment of all."

In the future on-the-job training will become numerically more important in MDTA efforts. Among the considerations influencing this trend are:

1. Government expenditures per OJT trainee are below MDTA institutional training costs.
2. Equipment used tends to be more modern in OJT.
3. The job placement ratio of OJT graduates is higher than MDTA institutional trainees.

Surveys support the view that private industry would be willing to expand government subsidized OJT projects on their premises. It is questionable whether OJT programs for the disadvantaged could be carried out without some added economic incentive to the firm, however.

Studies indicate that relocation and retraining may serve as preference substitutes for many workers; yet when they complement one another the result is increased earnings for those engaging in both. A new look must be taken at the effects of immigration upon receiving areas having substantial numbers of hard-core disadvantaged unemployed.

Somers, Gerald G., "Labor Recruitment in a Depressed Rural Area." Monthly Labor Review, October 1958, pp. 1113-1120.

The author found that "labor mobility surrounding a new plant in a depressed rural area has few of the typical imperfections.." The stimulus of employment with a progressive new employer at wages above the area average proved strong enough to draw former out-migrants back to the area from jobs in other areas, and to cause others commuting considerable distances to jobs outside the area to seek employment in the new plant. Still others readily undertook long-distance commuting from neighboring communities to take jobs at the new plant. Relatively few of the plants' initial work force were drawn from the area's unemployed. Thus the initial impact of industrial development upon unemployment in a depressed rural area might fall short of anticipations because (1) rural area workers will likely lack skills needed in industrial firms, and (2) the younger, more educable workers will likely have left the area.

Somers, Gerald G., "Retraining: An Evaluation of Gains and Costs." pp. 271-299. chapter in Employment Policy and the Labor Market, Arthur M. Ross, Ed., University of California Press, 1965.

Although the examples in this article deal primarily with West Virginia retraining projects, it also provides criteria for evaluating results of retraining in general. Gains in productivity, employment, earnings, social gains, and costs and returns are discussed. The author concludes that the economic gains seem to justify the economic costs, adding that the social - psychological benefits of returns to active labor market participation tip the scales on the positive side.

Appendix included - "Methodology of the Ford Foundation Project to Evaluate Retraining of Unemployed Workers."

Somers, Gerald G., Retraining the Unemployed: A Preliminary Survey. Industrial Relations Research Institute.Reprint No.53.Madison:Univ.of Wis.,1963.

The article, a reprint of congressional testimony, deals primarily with retraining projects in West Virginia and their implications for criticism and planning of such courses. Attitudes of trainees, those rejected on basis of preliminary tests, drop-outs and employers are charted. Stress is put upon the long-run economic growth possibilities and enhanced general well-being of trainees, in the light of criticism based on measures of immediate reduction of unemployment. Specifically, the question of lowering course entrance standards to include more "hard-core" unemployed is discussed with the conclusion that the move could be justified.

Somers, Gerald G., "Labor Supply for Manufacturing in a Coal Area." Monthly Labor Review, December 1954, pp. 1327-1330.

In this study of labor supply and mobility in a coal area, the author studied "the employment histories, over a 12-year period, of 1,015 persons hired by a chemical manufacturer" in Morgantown, West Virginia, in 1951-52. Although mining was the area's major industry, a vastly disproportionate proportion of the plant's work force had had previous employment in manufacturing, while a smaller number of workers were recruited from mining. With five applications per available job, the plant selected the younger, better educated workers.

The mobility patterns of the area were beneficial to the plant. Half of the workers had worked in areas more than 30 miles from Morgantown, and as many as three-fourths with previous experience in manufacturing had held jobs in such areas. One-fourth returned to Morgantown because the reopening of the chemical plant made "good" jobs available at home. Others had never left the area, preferring lower paying jobs, unemployment, or exit from the labor force to geographic mobility when "good" jobs were not available in the home area.

Striner, Herbert, "Halfway House for the Hollows." Occupational Outlook Quarterly, Vol. 9, No. 3. September 1965. Pp.5-8.

Suggestions for moving people from the hollows of West Virginia into urban areas where training and work might be available are: (1) a large scale analysis of the local labor area to determine existing vacancies and necessary skills; (2) with training to suit job openings, to equip people to move into a society where success could break the poverty cycle. The transitional step presents the greatest problem.

The halfway house to help people adjust to new environment is suggested. One possiblity would be the establishment of a subassembly plant outside a city yet close to the homes of hollows residents. The training and working contacts would expose the people to attitudes, speech patterns, values and interests different from those normally found in the hollows. Moves to other jobs in other locations may seem more natural then.

Even with training, unless local transportation facilities are improved, they will impede further migration.

Stromsdorfer, Ernst W., "Labor Force Adjustment of Structural Displacement in a Local Labor Market." Industrial and Labor Relations Review, January 1965, pp. 151-165.

The author explores the profitability, from both the private and social viewpoints, of readjustment programs for displaced workers, including retraining and geographic mobility, and using three specific cities, three ages, three discount rates, and three specific training programs. He finds that profitability varies greatly among the combinations of factors, and that it is often profitable for society to invest in readjustment when it is not for individuals. Crucial variables affecting profitability include the discount rate, the age of the worker, the length of the training period, and large inter-regional housing cost differentials.

Suval, Elizabeth M., and Hamilton, C. Horace, "Some New Evidence on Educational Selectivity in Migration to and from the South," Social Forces, May 1965, pp. 536-547. (From the abstract on page 536.)

"Analysis of 1960 . . . Census data . . . confirms that migration to and from the South is correlated with education. However, the correlation between migration and education varies by age, sex, and color. Gross migration, both to and from the South, is positively correlated with education and there is little difference between the educational level of in—and out—migrants. Adverse educational selectivity of net migration from the South is greatest among young people, among Negroes, and among males. Gross migration rates among the white population, both to and from the South, are greater than those among the non-white population at all educational levels;

but net migration from the South is relatively greater in the non-white ... population because [fewer] Negroes [move] back to the South ... Areas with large expanding metropolitan populations are attracting well-educated migrants, and rural areas of the South are continuing to lose more well-educated people than they gain."

Tarver, James D., and Ernest A. Hellewege, "Area Redevelopment Act Training Program in Oklahoma," Southwestern Social Science Quarterly, June 1965, pp. 47-58.

A random sample of seven of the 32 Oklahoma ARA retraining programs completed prior to January 1, 1963 forms the data source used to discover relationships between personal traits and test scores (U. S. Employment Service's General Aptitude Test Battery, Form B-1002), and the job placement success of the 99 participants. Analysis of variance from multiple regression was calculated with scores from general education (G), spatial (S), numerical (N), finger dexterity (F) and manual dexterity (M), tests each as dependent variables and the following traits, each broken into sub-categories and assigned artificial values, as independent variables: place of training, type of course, marital status, age, educational attainment and employment status five months after the end of the ARA training program. Significant relationships appear extant between employment status and G, S, and F tests. The G test scores are also correlated with all the other independent variables. Preliminary cross-tabulations suggest that of the 55% overall placement in permanent, training-related occupations, trainees tended to be older, married, trained for welding, and tended to have more formal education.

Tarver, James D. and William Gurley, "The Relationship of Selected Variables with County Net Migration Rates in the United States, 1950 - 1960." Rural Sociology, March 1965, pp. 3-12.

A multiple regression model to determine the significance of seven variables in explaining net migration rates of counties. Five variables (census division, percent non-white, median family income, percent under 20 years of age, and percent employed in construction) explain an appreciable amount of variability of the rates of net mobility; two variables (median years of school completed and percent completing four or more years of high school) are not significant."

Tuskegee Institute, The Tuskegee Institute Retraining Project, Vol. 1 Demonstrational Features. Vol. II Experimental Features. Tuskegee Institute, September 1 and October 25, 1965.

Report of the training, placement and follow-up of 160 men from the Tuskegee, Alabama, area. Training was in one of four areas: farm machinery repair, masonry, carpentry and meat processing. Counseling was close, as was concentration on improving basic educational skills. The find that residential training provides a significantly better product than non-residential training is important.

Criteria for evaluating the total operational proficiency of trainees were also developed in the project. The placement rate of 81 percent is high, especially in view of the overall placement rate of Negroes from retraining programs.

U. S. Department of the Interior, Bureau of Indian Affairs (Washington, D.C. 20242). Employment Assistance Program. (Report due October 1, 1966.)

The oldest continuing relocation project in the U. S. started after World War II on the large Navajo Reservation of Arizona, New Mexico and Utah. Enlarged in 1952, the program has assisted almost all tribes within the Bureau's jurisdiction to relocate members in the west and mid-west. Help provided to both the job-seeker and family dependents in the form of transportation to the relocation destination, subsistence grants prior to first pay check and guidance. The success of the program has been found to depend on moving entire families at one time.

Training in the form of apprenticeship, on-the-job, and vocational education was provided in 1956 and gave further impetus to the relocation program since a serious drawback to the program had been the lack of skills among relocatees. The placement rate of those completing vocational training mostly between 18 and 35, has been 81 percent as of March 1961, 50 percent for drop-outs. On-the-job training programs last about 6 months and have been designed for those Indians desiring to remain close to the reservation. A quantitative study is being prepared, in which a one in 14 sample is to be studied for the purpose of evaluating the program. Of the 5200 units represented by the sample of 366 - 64 percent have successfully relocated while 24 percent have returned to the reservation. The remaining 12 percent were involved in on-the-job training projects that enabled the trainee to remain on the reservation.

The 24 percent returnees have, however, changed radically from their former position of high social cost. Of all units included in the sample there has been a 276% increase in income over an average period of 2.5 years. Housing of assistees has improved remarkably as has church participation and investments.

The cost of the program per individual has been high. Individuals cost the program about $1950, while families cost about $3800. The training program cannot exceed two years, but an Indian may be relocated with assistance more than once. The Bureau of Indian Affairs has issued a Handbook of Relocation Services for assisting relocateees. The publication is an internal one but a good summary of several years experience in dealing with problems of making a successful relocation with disadvantaged people.

U. S. Department of Labor, Presidents' Committee on Youth Employment. The Challenge of Jobless Youth, 1966.

As vast number of youthful workers enter the labor force, they will be faced with jobs demanding high training standards. The committee has made specific recommendations to public officials concerning education and training facilities. They include:

1. Development of intensive training programs to bring inadequately educated out-of-school youth up to minimum standards of employability.
2. Enactment of a federal program for urban and conservation employment and training of youth.
3. Amendment of the Manpower Development and Training Act to provide a more realistic proportion than the present 5 percent of training allowances specifically for youth.
4. Establishment of area skill centers in new central locations.

Recommendations are made concerning continuing study programs and discriminatory employment. An outline of the characteristics of the youthful unemployed as a group is included.

U. S. Department of Labor, Bureau of Labor Statistics, Bulletin No. 248, Design for Community Action, 1962.

Today, highly specialized technology demands that youthful workers be trained in a skill and that older workers continue to learn. As the youthfulness of the labor force increases our attention must be primarily on high school age youths. The following programs reported by some communities illustrate constructive local actions. (1) Identifying and prescribing necessary remedial measures while the youth are still attending classes; (2) Combining schooling with a paying job; (3) Training unemployed youth.

Community-wide action can be initiated by a very few people, if need be. A fact-finding committee should identify the needs of the community by (1) Locating existing youth services; (2) Identifying youth most in need of help; (3) Following up youth who have left school; (4) Canvassing local employment opportunities and training facilities for youth. Broad program ideas such as stimulating the parents and elevating the goals of youth should not be over-shadowed by specific direct action.

A successful program will involve the entire community, integrate existing services, and plant new ones.

U. S. Congress, House of Representatives, Select Subcommittee on Labor, Committee on Education and Labor, "Active Manpower Policies in Great Britain and Scandinavia," 89th Congress, 2nd Session, Washington: Government Printing Office, 1966.

This report by a study group which visited Great Britain, Norway, Sweden, and Denmark in December 1965 - January 1966 notes that all four countries felt training and retraining to be necessary. In Great Britain a 1964 statute makes industrial training the responsibility primarily of industry, with government and labor cooperating. The three Scandinavian countries have thoroughly integrated manpower policies which include training. The programs are the joint efforts of government and the national labor and employer organizations.

The Swedish Labor Market Board, for example, publishes a regular bulletin which includes a detailed listing of job vacancies. The Board also administers a variety of relocation allowances to aid the relocation of unemployed workers. Area development is also undertaken in Sweden to encourage industry to move into depressed areas. The Swedish training programs seek to train or retrain 1% of the population each year, with the proportion expected to rise.

U. S. Senate, Studies in Unemployment. Prepared for the Special Committee on Unemployment Problems, 86th Congress, 2nd Session. Washington: GPO, 1960.

This volume consists of 15 articles written by labor economists in government positions as well as in academic institutions. The theme of this well integrated collection of articles is set in John Dunlop's "Public Policy and Unemployment," wherein he asserts that "class unemployment" has rendered the "mass unemployment" which characterized the 1930's obsolete. This development has made concern for the structure of unemployment (as opposed to its level) increasingly important, and has necessitated a shift in the emphasis of public policy aimed at easing unemployment.

Many facets of the unemployment problem are treated, but three papers are particularly relevant to the depressed area situation: John R. Fernstrom's "A Community Attack Upon Chronic Unemployment--Hazelton, Pa.: A Case Study," William H. Miernyk's "Foreign Experience with Structural Unemployment and Its Remedies," and Jacob J. Kaufman's "Labor Mobility, Training, and Retraining." The Kaufman paper is abstracted separately.

Fernstrom discusses the contributions of local development corporations in alleviating chronic unemployment in Hazelton. Miernyk, on the other hand, discusses such European remedies for structural unemployment as the British control of plant location, and the encouragement of geographical and/or occupational labor mobility as undertaken in Sweden and the European Coal and Steel Community countries.

U. S. Congress, Joint Economic Committee, Programs for Relocating Workers Used by Governments of Selected Countries. Economic Policies and Practices, Study Paper No. 8. (Washington: GPO, January, 1966.)

In this paper prepared by Martin Schnitzer of the Virginia Polytechnic Institute is a summary of basic facts regarding relocation programs in the United Kingdom, Sweden, France, the U. S., Norway, Canada, Denmark, the Netherlands, Belgium, and West Germany. This easily obtainable paper contains a wealth of information on the legislative and executive experience of several relocation programs.

Also outlined in the report is the intent of the Manpower Development and Training Act of 1962, as revised 1963. Details of early mobility demonstration projects in Virginia, West Virginia, Kentucky, and North Carolina are given as well as short descriptions of twelve other mobility pilot projects directed by the U. S. Employment Service (see Employment Service, U. S., Projects in the report stage, above).

UCLA Institute of Industrial Relations, Area Redevelopment Policies in Britain and the Countries of the Common Market. U.S.D.C., 1965, Washington, 481 pp.

This volume contains discussions of regional development policy in the Benelux Countries, France, the Federal Republic of Germany, Italy, and Great Britain. A separate section is devoted to the role of the European Coal and Steel Community and the Common Market.

Klaassen, L. H., "Regional Policy in the Benelux Countries," Area Redevelopment Policies in Britain and the Countries of the Common Market, pp. 21-84. 1965.

The Netherlands has 25 regional training schools for adults, 18 to 50 years of age. The threefold purpose is: (1) to train persons for the first time in a trade, (2) to retrain workers with obsolete skills, and (3) to train persons through refresher courses for skills which have not been used for several years. Training is given in trades which attract an insufficient number of young people and in which in-plant training possibilities are inadequate. Participants are compensated for wage loss, travel costs, and costs of room and board.

Migration allowances are paid to married workers moving from an area of unemployment either to a "development nucleus" or to an area of labor shortage. In either case these workers obtain full compensation for travel costs for their family, as well as $67 plus $11 per child for resettlement expenses. In the move to a "development nucleus," a worker may also obtain 50 percent of the costs of room and board, or 50 percent of the costs of daily travel for 1 year.

Storbeck, Dietrich, "Regional Development Policies in the Federal Republic of Germany," pp. 171-214.

Training of young as well as retraining of other workers is deemed necessary in the Federal Republic because of the structural changes in the redevelopment areas. Labor potential is generally improved with regard to the particular demands of industry.

Active labor mobility programs seek to move highly skilled workers into redevelopment areas. Passive policies assist the movement of unskilled to areas where their work is required. Co-ordination of programs is primarily the responsibility of the states (Laender); the Federal Government has not instituted any co-ordination of the redevelopment measures it supports.

Alan J. Odber, "Regional Policy in Great Britain," Area Redevelopment Policies in Britain and the Countries of the Common Market, ed. Frederic Meyers (Washington: U. S. Department of Commerce, 1965). "Training", pp. 369-374.

A continuous shortage of skilled labor mitigates especially against the least prosperous areas of the U. K. The shortage of several key skills may have prevented the employment of even greater numbers of skilled, semiskilled, and unskilled, In order to break down the system whereby firms which do not train live off of those which do, the Government proposes an alliance between industry, education and itself for the purpose of improving the quantity and quality of skilled labor while spreading the costs more evenly.

Boards responsible for training individuals will be set up to provide standards for admission, syllabuses, and tests. Such boards would receive loans or grants from the Ministry of Labour, but most of the support will come from levies on individual firms. Firms providing training will receive a rebate from the levy.

Policy tends to favor providing quality basic training so that trainees are adequately trained, yet flexible for change. Retraining possibilities would be enhanced by (1) orienting workers to continual training, and (2) providing retraining to industry on a basis similar to training. Local trade union positions have often been contradictory. Their main objection is that trainees put skilled men out of work in depressed areas. But they have also argued that a skill cannot be learned in 6 months and that trainees emigrate, counter to the purpose of regional growth policy.

Still to be considered are the questions of pay for retrainees and where should retraining centers be located. The principle of maintaining income is urged by Odber, as is the placing of centers at the "growth point."

Virginia Employment Commission, Final Report: Virginia Labor Mobility Pilot Project. Prepared by the Research, Statistics and Information Division, Richmond, January 3, 1966.

A summary of experience under an MDTA Labor Mobility Demonstration Project within the state of Virginia. The program consisted of both training and relocating 200 workers from distressed areas of southwest Virginia to the eastern parts of the state where there has been a shortage in labor. Short descriptions of both labor demand and supply areas are given as well as the method of operation and 15 pages of findings, experiences and conclusions for future programs.

The average allowance per worker relocated was $194; his average educational attainment was 9.8 years. Over 100 were MDTA trainees. Wages ranged from $400 a month to $1.25 an hour. Problems arose with the low paying jobs (mostly nurses aides) since city living costs reduced the real gains in income of several of the relocatees to near zero.

Almost all applicants screened had insufficient funds for moving (less than $100). Thus the cost of moving was a major deterrent and to some extent alleviated by assistance through grants and loans. Of the 466 workers screened for the project, 223 had been unemployed more than 14 weeks.

Williams, J. Earl, "The Effects of Culture on Retraining in the South." (IRRA, May, 1964), Labor Law Journal, July, 1964, Vol. 15 No. 7, pp. 437-450.

Though a majority of the southeastern states have had unemployment rates below the national average since 1957 and have received their share of the ARA and MDTA funds for fiscal 1963, other factors must affect an analysis of progress against unemployment.

1. The South has a disproportionately large number of counties designated as redevelopment areas under ARA.
2. Using an annual income of under $1,200 as the standard the South has the largest number of underemployed in its labor force.
3. Negro underemployment is double the rate for whites, and a high proportion of the population is Negro.
4. The only states in the union to show more than 70% of the population 25 years and over with less than four years of high school are in the South (Mississippi, Arkansas, Kentucky).

5. The South lags 10 to 20 years behind the rest of the nation in the distribution of employed persons by occupational groups with relatively few persons in professional, technical and kindred occupations and many in agriculture where great displacement is taking place.

Some of the states with the most unemployment have done the least retraining. Negroes who need more training have received little attention. The Southeast as a whole has engaged in retraining to a far lesser extent than its needs indicate.

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